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INTERNATIONAL INSTITUTE OF AGRICULTURE

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The International Institute of Agriculture was established under the International Treaty of June 7th., 1905, which was ratified by 40 Governments. Seven other Governments have since adhered to it.

It is a Government Institution in which each Country is represented by delegates of its choice. The Institute is composed of a General Assembly and a Permanent Committee.

The Institute, confining its operations within an international sphere, shall :

*a)* Collect, study and publish, as promptly as possible, statistical, technical, or economic information concerning farming, both vegetable and animal products, the commerce in agricultural products, and the prices prevailing in the various markets;

*b)* Communicate to parties interested, also as promptly as possible, all the information just referred to;

*c)* Indicate the wages paid for farm work;

*d)* Make known the new diseases of vegetables which may appear in any part of the world, showing the territories infected, the progress of the disease, and, if possible, the remedies which are effective in combating them;

*e)* Study questions concerning agricultural co operation, insurance, and credit in all their aspects; collect and publish information which might be useful in the various countries in the organization of works connected with agricultural co operation, insurance, and credit;

*f)* Submit to the approval of the Governments, if there is occasion for it, measures for the protection of the common interests of farmers and for the improvement of their condition, after having utilized all the necessary sources of information, such as the wishes expressed by international or other agricultural congresses or congresses of sciences applied to agriculture, agricultural societies, academies, learned bodies, etc.

The Institute publishes: *a*) a Monthly Bulletin of Agricultural Statistics; *b*) a Bulletin of Agricultural Intelligence and Diseases of Plants; *c*) a Monthly Bulletin of Economic and Social Intelligence.

It has also published a volume on "The Organization of Agricultural Statistical Services in the Several Countries", and a volume "Statistics of Cultivated Areas and of Vegetable and Animal Production in the Adhering Countries" (an Inventory drawn up from documents published by Governments).

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45	Sweden	IV	G. V. T. DE STRALE, Counsellor to the Swedish Legation to the Italian Government.
46	Switzerland	IV	J. B. PIODA, Minister plenipotentiary of Switzerland to H. M. the King of Italy.
47	Uruguay	V	E. ACEVEDO DIAZ, Minister plenipotentiary of Uruguay to H. M. the King of Italy.

## PREFACE.

With the present Number, our Bulletin enters upon its second year.

The monographic studies upon the present state of Agricultural Organization in the different countries being now complete, a new Part has been added, namely that of *Agricultural Insurance*, in its different forms, which will soon be followed by a fourth part to include *land credit and non-co-operative agricultural credit*.

Thus, modifications in the form of the Bulletin have become necessary; these modifications, however, in no way affect our original programme, except in adopting it to these new requirements.

The division according to countries, formerly the principal division, under which the subdivisions were ranged according to subject, is henceforth, to a certain degree, abandoned and the principal division will now be according to subject.

In consequence, the Bulletin is now divided into four Parts, of which the first will deal with Co-operation and Association, the second with Insurance, the third with Land Credit and Non-co-operative Agricultural Credit, the fourth with Facts and Problems of General Agricultural Economy. Each Part is again subdivided into three division. The first contains the *Official Communications* that the adhering Governments and Authorized Institutions forward to us for publication; the second contains the *Current Questions* and *Recent News*; the third is a *Bibliographical Review* of the principal publications of recent date in the different countries, on the subjects dealt with in the Part in question.



In each division, the different countries are studied separately, each by itself, so that the connection of the problems concerning them is not interfered with.

Of the three divisions into which we have divided each Part of the Bulletin, the first, intended for Communications from the Governments and the Authorized Institutions, is not represented in the present number. Let us hope that it will not remain so in the future and that the Governments and Authorized Institutions will take advantage of our Organ for publishing to the whole world the information they judge it to their interest to publish with regard to matters belonging to our province.

Rome, 31st. January, 1910.

GIOVANNI LORENZONI

Chief of the Bureau  
of Economic and Social Intelligence.

# CONTENTS.

## PART I.

### CO-OPERATION AND ASSOCIATION.

#### 1. — Current Questions and Recent News.

##### Germany :

##### I. — CURRENT QUESTIONS.

<b>The Problem of Potato-dessication and its Accomplishment by means of Co-operative Elements . . . . .</b>	<b>Page</b>	<b>5</b>
§ 1. General Remarks. . . . .		5
§ 2. Utilisation. . . . .		7
§ 3. The Problem of Potato-dessication . . . . .		8
§ 4. Technical Process of Dessication . . . . .		10
§ 5. The Products of Potato-dessication and their Utilisation . . . . .		12
§ 6. Result of Experiments as to the Food Value of Dessicated Potatoes . . . . .		14
§ 7. Rules for the Commerce of the Products of Potato-dessication. . . . .		16
§ 8. The Accomplishment of Potato-dessication by means of Co-operative Societies. . . . .		17

##### II. — RECENT NEWS.

<b>1. Work of the Federations and Central Institutions of the Co-operative Societies and Large Agricultural Associations . . . . .</b>	<b>22</b>
<b>A. Federations and Central Institution of the Co-operative Societies. . . . .</b>	<b>22</b>
1. Raiffeisen-Organization in 1909. . . . .	22
2. National Co-operative Bank (Reichsgenossenschaftsbank) Darmstadt . . . . .	26
3. 22nd. Congress of the Federated Dairies of Wettphalia, Lippe and Waldeck . . . . .	27
4. The 3rd. Meeting of the Federation of Milk Producers of S. W. Germany . . . . .	27

## CONTENTS

<b>B. Large Agricultural Associations . . . . .</b>	<b>Page 28</b>
1. The 25th. Anniversary of the German Agricultural Association . . . . .	28
2. Resolutions taken by some Agricultural Organizations on Import Matters. . . . .	30
<i>a)</i> Meat Supply. . . . .	30
<i>b)</i> The Struggle against Contagious Cattle Diseases . . . . .	32
<i>c)</i> Technical Instruction for the Master Herdsmen (Stallschweizer) . . . . .	32
<i>d)</i> A Law on German Milk (Reichsmilchgesetz) . . . . .	33
<i>e)</i> Price of Livestock and Price of Meat . . . . .	33
<i>f)</i> The Distress among the Wine Farmers . . . . .	33
3. The Central German Agricultural Labour Registry Office . . . . .	33
<b>2. Miscellaneous Information . . . . .</b>	<b>34</b>
1. The Settlement Association of Pomerania . . . . .	34
2. Cassel . . . . .	36
3. Peasant Women's Meetings. . . . .	36

### United States:

#### I. - CURRENT QUESTIONS.

1. The National Grange and the International Institute of Agriculture . . . . .	<i>Page</i> 37
2. Boys' Corn Clubs . . . . .	39

#### II. -- CURRENT NEWS.

1. Work of Federations and Central Co-operative Institutions and of the Large Agricultural Societies. . . . .	40
I. — <i>The Granges</i> . . . . .	40
1. The National Grange: Annual Meeting . . . . .	40
2. Michigan State Grange . . . . .	41
3. Pennsylvania State Grange. . . . .	42
4. Ohio State Grange. . . . .	42
II. — <i>Other Central Associations</i> . . . . .	43
1. The National Mohair Growers' Association. . . . .	43
2. The Percheron Society of America . . . . .	44
3. Michigan State Association of Farmers' Clubs. . . . .	44
4. The International Livestock Exposition . . . . .	45
2. Miscellaneous Information . . . . .	46
1. The Social Work of the Grange . . . . .	46
2. Corn-growers' Associations. . . . .	47
3. A Farmers' Meat-club . . . . .	48

# CONTENTS

x1

## France :

### I. — CURRENT QUESTIONS.

1. The Agricultural Societies and the Agricultural Estimates . . .	Page 49
§ 1. The Agricultural Mutual Insurance Societies and the Central Reinsurance Society . . . . .	51
§ 2. Agricultural Mutual Credit Societies. . . . .	58
§ 3. Agricultural Co-operative Societies. . . . .	60
§ 4. The Question of Superphosphates and Co-operation . . . . .	63
2. Co operation in the Department of Algiers. . . . .	68

## Italy :

### RECENT NEWS.

1. Legislation and State Intervention in regard to Agricultural Organizations. . . . .	Page 73
1. A Federation of all the Co-operative Wine Societies in the Kingdom and the Work of the Government in their Behalf . . . . .	73
2. Agricultural Societies and Consortiums in the Basilicata Rewarded . . . . .	73
3. The Provincial Administration of Rome in Behalf of Agricultural Co-operation: The First Professorship of Co-operation and Labour . . . . .	74
2. Work of the Federations, Central Institutions of the Co-operative Societies and of the Large Agricultural Associations . . . . .	75
1. Progress made by the National League of Co-operative Societies and the Italian Federation of the Mutual Aid Societies in the last ten Years . . . . .	75
2. The Agenda for the Ordinary Meeting of the Italian Farmers' Society in 1911. . . . .	76
3. Programme of Work, for 1911, of the Lombard Agricultural Society and the Meeting of the Milan Agricultural Comizio . . . . .	77
4. The General Meeting of the Friuli Agricultural Association. . . . .	79
5. The Third National Congress of Co-operative Dairies . . . . .	81
6. The Recent Vote of the Consortiums for Action against the Phylloxera and a new Federation in the Province of Verona . . . . .	81
3. Miscellaneous Information . . . . .	82
1. Speech of Signor Luigi Luzzatti on Co-operation in Italy. . . . .	82
2. The General Meeting of the Subalpine Oenophile Club. . . . .	85
3. The Brescian "Agricultural Credit". . . . .	85

## Norway :

### CURRENT QUESTIONS.

The Reorganization of the Norwegian Farmers' Union. . . . .	Page 87
---	---------

**Holland :**

I. — CURRENT QUESTIONS.

1. Progress of the Co-operative Dairy Industry . . . . .	Page 89
§ 1. Progress of the Dairies . . . . .	89
§ 2. The State und the Movement in Favour of Federation. . . . .	92

II. — RECENT NEWS.

Work of the Federations and Central Institutions of the Co-operative Societies and of the Large Agricultural Associations . . . . .	97
The Meeting of the "Nederlandsche Boerenbond" (General Federation of Dutch Peasants - Utrecht) . . . . .	97

**Russia :**

CURRENT QUESTIONS.

1. Measures proposed for the Regularisation of the Grain Trade, with the Assistance of the Zemstvo and the Agricultural Co-operative Societies . . . . .	Page 99
§ 1. Introduction . . . . .	99
§ 2. Proposals for the Regulation of Credit . . . . .	102
§ 3. The Agricultural Bank . . . . .	102
§ 4. Grain Warehouses . . . . .	104
2. The Progress of Co-operation in Finland. . . . .	107

**Sweden :**

CURRENT QUESTIONS.

1. The Establishment of a Loan Fund for the Swedish Co-operative Dairies . . . . .	Page 109
2. The Question of Credit for Small Farmers in Sweden . . . . .	111

II. — Bibliography.

Publications of Recent Date Relating to Co-operation and Association in Various Countries.

1. Work of General or International Character . . . . .	Page 115
2. Germany. . . . .	115
3. Austria . . . . .	117
4. United States. . . . .	117
5. France. . . . .	117
6. Italy. . . . .	119

PART II.

INSURANCE.

1. — Introduction.

**Summary of the Present Condition of Agricultural Insurance in Certain Countries.**

1. Sources Utilised . . . . .	Page	125
2. Present Situation of Agricultural Insurance Societies in Certain Countries. . . . .		133
§ 1. Agricultural Fire Insurance . . . . .		134
§ 2. Insurance against Hail . . . . .		136
§ 3. Cattle Insurance . . . . .		150
§ 4. Insurance of Persons Engaged in Agricultural Labour . . . . .		158
a) Insurance against Sickness . . . . .		159
b) Insurance against Accidents in Labour . . . . .		160
c) Insurance against Infirmary and Old Age. . . . .		166

II. — Current Questions and Recent News.

**Germany :**

RECENT NEWS.

1. Work of the Agricultural Insurance Institutions . . . . .	Page	173
1. Work of the Private Societies of Insurance against Hail . . . . .		173
2. Results shown by the Societies for Insurance against Hail, for the Year 1910 . . . . .		176
3. State Institute of the Principality of Reuss for the Insurance of Butchers' Heasts. . . . .		177
4. The twenty fifth anniversary of the Ceres Mutual Insurance Society against Hail . . . . .		178
2. Miscellaneous Information . . . . .		179
1. The Advance in Price in Insurance Societies' Shares in 1910 . . . . .		179
2. The East Prussia Landschaft authorized to transact Life Insurance Business . . . . .		179
3. Insurance Committee at the Berlin Chamber of Commerce . . . . .		179

**Austria :**

RECENT NEWS.

1. Legislation and State Intervention in regard to Agricultural Insurance . . . . .	Page	181
Bill for obligatory Insurance against Hail. . . . .		181

2. Work of the Insurance Institutions . . . . .	Page	181
1. Work of the Societies of Insurance against Hail in 1909; view of the Results of the Year 1910 . . . . .		181
2. Institutions for Cattle Insurance in the Austro-Hungarian Empire . . . . .		184

## France :

### RECENT NEWS.

1. Legislation and State Intervention in regard to Agricultural Insurance. . . . .	Page	189
The Last Report of the Minister of Agriculture to the President of the French Republic on the Agricultural Mutual Insurance Societies. . . . .		189
2. Work of the Agricultural Mutual Insurance Institutions . . . . .		191
1. Work of the Mutual Cattle Insurance Societies in 1909 . . . . .		191
2. Sketch of the Results obtained by the Year 1910. . . . .		193
3. The French Farmers' Mutual Insurance Syndicate against Accidents in Agricultural Labour. . . . .		196

## Italy :

### RECENT NEWS.

1. Legislation and State Intervention in regard to Agricultural Insurance . . . . .	Page	197
Bill on Obligatory Insurance against Accidents in Agriculture . . . . .		197
2. Work of the Agricultural Insurance Institutions. . . . .		197
1. Societies of Insurance against Hail, in Italy, in 1909 . . . . .		197
2. Notes upon Some Insurance Societies against Hail and Fire . . . . .		200
3. The Milan Federation of Mutual Cattle Insurance Societies. . . . .		204
3. Miscellaneous Information . . . . .		205
2. The New Programme of the Work of the National Committee for Agricultural Mutual Societies: A Congress for Mutual Insurance against Agricultural Accidents. . . . .		205
2. The Co-operative Distributive Society, "Carnica" of Tolmezzo founds a Mutual fire insurance Society and a Mutual Cattle Insurance Society . . . . .		206

## III. — Bibliography.

### Publications of Recent Date relating to Agricultural Insurance in Various Countries.

1. Germany. . . . .	Page	209
2. Austria-Hungary . . . . .		211
3. France. . . . .		211
4. Great Britain and Ireland. . . . .		212
5. Italy. . . . .		212

## PART III.

## MISCELLANEOUS.

(Facts and Problems Relating to Agricultural Economy in General).

## I. — Current Questions and Recent News.

## United States :

## I. — CURRENT QUESTIONS.

1. Report of the Country Life Commission. . . . .	Page 217
2. Road Improvement. . . . .	226

## II -- MISCELLANEOUS INFORMATION.

1. The value of Farmers' Institutes . . . . .	231
2. Request for Appropriation for Farmers' Institutes . . . . .	232
3. American Association of Farmers' Institute Workers. . . . .	232
4. Conservation in Indiana. . . . .	233
5. The Farmers' Share of Consumers' Prices . . . . .	234
6. Demonstration Trains. . . . .	235
7. Rural Telephones . . . . .	236

## Sweden :

## CURRENT QUESTIONS.

Organization for the Constitution of Family Properties in Sweden	Page 237
§ 1. General Introduction . . . . .	237
§ 2. Review of the Existing Associations. . . . .	240
§ 3. Review of the Societies limited by Shares . . . . .	242

## II. -- Bibliography.

Publications of Recent Date referring to Agricultural Economy in General  
in Various Countries.

1. Germany. . . . .	Page 247
2. Austria . . . . .	248
3. United States . . . . .	248
4. France. . . . .	248
5. Great Britain and Ireland. . . . .	249
6. Italy . . . . .	249





PART I.

**CO-OPERATION AND ASSOCIATION.**



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# **CO-OPERATION AND ASSOCIATION**

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## **I. — CURRENT QUESTIONS AND RECENT NEWS.**



# CO-OPERATION AND ASSOCIATION

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## GERMANY.

### I — CURRENT QUESTIONS

#### The Problem of Potato-dessication and its Accomplishment by means of Co-operative Elements.

##### Sources

- 1) Zeitschrift für Spiritusindustrie, Berlin, Jahrgang 1909 und 1910 (*Publication on behalf of the Alcohol Industry Berlin Years 1909 and 1910*).
- 2) Landwirtschaftliche Umschau, Magdeburg Jahrgang 1910 (*Agricultural Review, Magdeburg, Year 1910*).
- 3) Jahrbuch des Vereins der Spiritusfabrikanten in Deutschland 1910 (*Yearbook of the Association of Alcohol Manufacturers in Germany, 1910*).
- 4) Annales de la Fédération nationale des coopératives agricoles allemandes pour 1909, Darmstadt, 1910 (*Annals of the National Federation of German Agricultural Co-operative Societies for 1909, Darmstadt, 1910*).

##### § 1. General Remarks.

In Germany, the cultivation of potatoes has reached extraordinarily large dimensions.

In the year 1909, with regard to the areas cultivated it held fourth place on the list, but with regard to yield it held first place by far, over all field-productions.

According to the *Statistisches Jahrbuch für das deutsche Reich, Jahrgang 1910* (Statistical Yearbook for the German Empire, 1910), the areas cultivated and the production of the most important food-stuffs for

human and animal consumption in 1909 were shown by the following figures :

1909	Hectares Area.	Tons 1 ton = 1,000 Kg. Production
Rye . . . . .	6,130,732	11,348,415
Wheat . . . . .	1,831,383	4,755,747
Winter spelt . . .	299,276	498,364
Summer barley . .	1,646,354	3,495,616
Potatoes . . . . .	3,323,733	46,706,252
Oats . . . . .	4,309,967	9,125,816
Meadow hay . . .	5,961,536	22,140,927

With regard to the area under potatoes, Germany was second only to Russia, but Germany again holds first place as far as production is concerned, which will be readily seen from a comparison of the figures for both countries :

1909	Hectares Area	Tons 1 ton = 1,000 Kg. Production.
Germany . . . . .	3,323,733	46,706,252
Russia in Europe, in- cluding Poland . .	4,257,700	31,933,300

The other countries which had over one million hectares under potatoes were France (1908) 1,545,300 hect., Austria-Hungary (1908) 1,912,300 hect. and the United States of America (1909) with 1,426,500 hect.

As far back as 1893 the area under potatoes had already reached over 3 million hectares, and since that time it has only increased by about 10 %. The yearly production varies considerably according to good or bad harvests, and during the last 10 years the lowest production occurred in 1904 with 36,287,192 tons and the highest with 48,323,353 tons in 1905.

According to the *Ergebnissen der landwirtschaftlichen Betriebsstatistik vom Jahre 1907* (Results of the Statistics of Agricultural Enterprises for the year 1907) concerning the cultivation of the best known field-products in Prussia the single categories were divided up as follows :

	Total area of the farms in hectares —	Percentage of the total cultivated area under potatoes %	Percentage of each category according to the total production of potatoes %
1. Small farms ( <i>Zwergbetrie- be</i> ) having less than $\frac{1}{2}$ hectare of cultivated land	159,785	71.73	5.12
2. Farms ( <i>Parzellenbetriebe</i> ) having from $\frac{1}{2}$ to 2 hec- tars of cultivated land. . .	589,667	36.77	9.68

	Total area of the farms in hectares —	Percentage of the total cultivated area under potatoes — %	Percentage of each category according to the total production of potatoes — %
3. Small Peasant Farms ( <i>Kleinbäuerliche Betriebe</i> ) having from 2 to 5 hects. of cultivated land	1,280,613	20.44	11.69
4. Average Peasant Farms ( <i>Mittelbäuerliche Betriebe</i> ) having from 5 to 20 hects. of cultivated land.	4,525,767	13.01	26.28
5. Large Peasant Farms ( <i>Grossbäuerliche Betriebe</i> ) having from 20 to 100 hects. of cultivated land . . . . .	5,249,032	8.84	20.74
6. Large Farms ( <i>Grossbetriebe</i> ) having more than 100 hects. of cultivated land . . . . .	4,982,388	11.91	26.49

From the perusal of the above figures it is seen that the whole agricultural class takes a lively interest in the production of potatoes. The exceedingly large proportion of the cultivated area of the "*Zwerghetrieben*" under potatoes is accounted for by the fact that on the small farms potatoes are chiefly grown as an article of food.

## § 2. Utilisation.

Much the greater part of the potato harvest is used for human consumption, about 5 million tons are reserved for seed, 3 million tons are employed in the extraction of alcohol, the production of which reached 3,118,604 hectolitres in the year 1907-908 and a large part is also used in the manufacture of starch, as also for the feeding of live-stock.

Besides this the loss sustained through decay or other waste amounts to at least 10 %. This loss would certainly not be estimated too high if placed at 25 quintals per hectare. This estimation, when we consider the area under potatoes, 3,323,733 hectares in 1909, brings the amount well over 83 million quintals, irreparably lost through decay.

If the value of a *sentner* of potatoes be reckoned at 1  $\frac{1}{2}$  marks, in this manner, German agriculture annually loses the considerable sum of more



than 250 million marks, and it is chiefly due to this that the impulse has been given to the various measures taken to counteract the loss.

Much has been gained by means of careful cultivation, the potato plants have by careful selection been rendered better able to withstand the diseases to which they are subject, but the enormous losses caused each year by decay during winter storage, especially after a wet autumn, are met with just as before. The large proportion of water, about 70% in potatoes, prohibits an over-long storage and helps to an enormous degree to bring about the losses already mentioned, so that something must be done to reduce this quantity of water by means of suitable technical methods, so as to preserve the valuable nutritive properties of the potatoes without damaging them. In the main these results are due to numerous prize competition started to further these ends by the Society of Alcohol Manufacturers in Germany; as this body, which desires to make the most lucrative possible use of alcohol obtained from potatoes, naturally had a very keen interest to prevent, by suitable measures, the exaggerated production of potatoes for the purpose of the alcohol distilleries. It must also be added, that likewise owing to the latest legislation on the alcohol duty as well as to an anti-alcohol movement, a great diminution has been noticed in the consumption of alcohol for drinking purposes, a circumstance, which must occasion a limitation in the alcohol production, whereby great quantities of potatoes will become free, which will naturally lower the price.

It is believed that means have now been found to relieve the potato market of the over-supply of potatoes caused by the limitation of the production of alcohol and also to substantially reduce the losses caused by decay by means of timely potato-dessication proceedings, undertaken during the Autumn and Winter.

The very important results which have already been obtained by means of potato-dessication warrant the best hopes for the further development of this enterprise in the future and it will not be out of place if we occupy ourselves a little more closely with this problem.

### § 3. *The Problem of Potato-Dessication.*

Prof. Delbruck, Berlin, already in the special sitting of the Committee of the Society of the Alcohol Manufacturers of the 16th February, 1894, made the proposition, in the interest of the alcohol market, that a new market should be created in the potato-dessication factories, by the formation of which, the raw potato market would be placed on a healthier basis. This idea could only be realised very slowly. It was necessary, by means of the ever progressing technic of the soil, to master, step by step, a still unknown domain. But the results are not a failure. According to the Annual Report of the Society of Alcohol Manufacturers in

Germany for 1909 there were in that year already 260 existing dessication factories capable of using 6 million and more quintals of potatoes.

But it is of still greater importance, that the interest in potato-dessication is still on the increase among agriculturists, which is plainly shown by the foundation of numerous co-operative societies with the object of building potato-dessication factories.

In the past the agriculturist was dependent upon the potato merchants and it often happened that the produce had to be sold at a price which did not even cover the cost of cultivation.

The situation changed as soon as the dessication establishments began working. The Farmer is no longer obliged to sell at any price, for the reasonable exaction of the price, which the general condition of the market makes possible, can be insisted upon, as the dessication factories are always ready to buy up all the potatoes for which there is no appropriate price offered.

Even if the cost of dessication is at present still considered to be too high, due consideration must at all events be given to the fact, that often a commodity may still be utilised, which would otherwise be irrevocably lost, and besides the good, sound eating potatoes can be sold at a suitable price.

The Association of German Alcohol Manufacturers has also brought into existence the Association of German Potato Dryers (*Kartoffeltrockner*) which has set itself to place the propaganda for potato-dessication and cattle-feeding with dessicated potatoes upon the widest possible basis. In the year 1909, 20,000 marks had already been allotted for these ends. 40,000 copies of an artistic placard regarding potato-dessication and its products were distributed gratis among agricultural co-operative societies and associations as well as exposed in public places. The employment of dessicated potatoes has been greatly furthered by this propaganda.

The assistants of the Society of German Potato Dryers have analysed a great number of the products manufactured by the dessication factories and on an average the component parts were as follows:

Water . . . . .	13.67 %
Raw Proteins . . . . .	5.84 %
Fat . . . . .	0.40 %
Raw Fibre . . . . .	1.59 %
Ash . . . . .	3.37 %
Non-nitrogenousextractive: Starch-meal	75.14 %

The employment of dessicated potatoes as a food-stuff is increasing without interruption. The Minister of Agriculture in Prussia is also convinced of the high value of this new food stuff and has issued a notice which states that dessicated potatoes if produced from sound potatoes may also be used as food-stuff for nursery cows.

#### § 4. Technical Process of Dessication.

Up to the present there are three potato-dessication processes which are

1. The Shaving Process.
2. The Flake Process.
3. The Press Process.

In the 1st process the potatoes are cut into slices by a machine and are then dried in a large drum, by means of hot air. This slicing apparatus is built as an *Allestrocker* (All dryer), which means that the drum may be used to dry all kinds of things, such as corn, grass, leaves, etc. Such machines are chiefly made in Uerdingen on the Rhine and in Magdeburg-Buckau.

At present, system no. 2 which produces potato-flakes is more generally adopted.

Of the 284 potato-dessication factories which existed at the end of 1909, 211 of them were occupied in the manufacture of potato-flakes.

In this case, the potatoes are first of all stewed, then squashed and in this pulpy state are passed between two rollers highly heated with steam. As the rollers are placed near to one another the mass passes between them like a sheet of paper. The heat causes the mass to adhere to the exterior walls of the rollers, the slow rotatory motion of which is so regulated that the paste is completely dried before the rollers have turned half round. Two knives which are fixed on the outsides of the rollers cut off the dried mass, which falls like a veil. The product has a good smell, a bright, beautiful appearance and because of its flaky propensity is called *Kartoffelflocke* (potato-flakes).

In the press process the potatoes are first pulverised. The moisture to a large extent, is then extracted from the mass by means of strong presses. Most of the remaining water is then absorbed by means of a machine. Whereupon, the crumbly-like substance passes into a drying apparatus, which frees it entirely of moisture. In order for its better preservation it is rolled into cakes like oilcake.

The last of the three mentioned processes is of quite recent date and there are very few factories of the kind.

The development of the technique and utilisation in practice make very rapid advancement. Whilst at the end of 1907, there were only 118 dessication factories in Germany, at the end of 1909 there were already 284, which is an increase of over 150 %.

As we have already remarked the most widely extended is the potato-flake system, although the slice process (All-dryer) is of earlier date. The latter system is almost without exception carried out in districts, where sugar-beet is largely cultivated, because it serves in this case to dry the beet leaves, which, when dried, provide an exception-

ally valuable food-stuff. Therefore in the large sugar-beet growing province of Saxony there were in 1907, already 9 slice-dessication factories against 2 potato-flake factories. But when the dessication problem once became more closely considered in the real potato growing districts, the potato-flake factories soon increased considerably in number.

In connection with the "all-dryer" system, in the large factories it is usual to have only one set of plant in use, while with the potato-flake factories several sets of drying rollers can be installed according to the needs of the concern. The larger undertakings of this kind, as a rule, have two such sets of rollers.

According to the contents of starch, from 3 1/2 to 4 *zentner* of raw potatoes produce 1 *zentner* of flakes. In the year 1908-909, according to an inquiry made by the Society of German Potato Dryers, the total quantity of potatoes disposed of by all the factories amounted to 2,904,000 *zentner* (50 kilos). Compared with the whole total of the German potato harvest, more than 900 million *zentner*, it is most certainly a very insignificant percentage, but it must be remembered that a great number of the factories commenced working very late and also in many cases for a very short time only, as the number of people interested was by no means large.

In 1908-909, on the average, in each of the 211 factories which possessed the roller apparatus, 12,000 *zentner* of raw potatoes were disposed of, from which 3,400 *zentner* of dessicated goods were produced.

On the other hand, the average for each of the slice apparatus or «all-dryer» factories was 16,000 *zentner* raw potatoes disposed of, with a production of 4,600 *zentner* of dessicated slices. Assuming that every one of the existing factories had a working period of 200 days of 24 hours each, the possible amount of raw potatoes which could be disposed of would be about 16,408,000 *zentner*. This amount would take about 2 % of the total harvest, and it will be seen, that with the further extension of the dessication factories, in a comparatively short time it would be possible to relieve the free market of the large quantities of surplus potatoes, by which it is encumbered during good harvest years, and it would prevent the decretion in the value of this product. The costs of dessication certainly vary very much, which is naturally dependent upon numerous factors, such as the size and price of the factory, the working period, the possibility of obtaining the raw materials, etc., etc.

It can be assumed, that the smaller factories which are worked in conjunction with a distillery, a starch or sugar factory, dairy or kiln are run at a cost of from 40 to 50 pf. per *zentner* of raw potatoes. In arriving at these figures, it is presumed that the boiler and steam engine are already in existence, and a dessication apparatus is selected, at a cost of about 25,000 marks, which can dispose of about 200 *zentner* of raw potatoes in 24 hours.

If the whole of an equally large factory must be built first hand, the costs will be between 50 and 60 thousand marks and the costs of dessication will naturally be considerably higher, that is somewhere between 50 and 70 pf. for each *zentner* of raw potatoes.

In the last part of this article, we shall again discuss the point as to whether the proportion of these costs of dessication is to be considered too high.

#### § 5. *The Products of Potato-dessication and their Utilisation.*

Before speaking further of the qualities of the dried potatoes as an article of food, it may also be mentioned that the products of the dessication are also found useful in the manufacture of pressed yeast. The potato-flakes, by means of a refining process are converted into potato-meal which may be used as a direct article for human consumption. This is already done in a large industrial drying-factory in Fiddichow near Schwedt. This meal may have a great future in store for it as an article that will keep a long time and is peculiarly adapted for certain purposes as, for example, for the requirements of the army.

Concerning dessicated potatoes, above all, as an article of food, it must be mentioned that the product contains a higher percentage of albumen than either oat or rye-meal. In its composition it mostly resembles maize, and its most important quality is, that the dessicated products have an unlimited durability and therefore in no wise lose their efficacy as a food-stuff through storage.

In the past before being used as food for cattle, the potatoes were in most cases steamed, but it has been proved by numerous feeding experiments carried out by practical farmers and agricultural experiment stations, that dry potatoes are more palatable to live-stock and better results are obtained from them. Apart from these advantages it is a great saving of labour to be able to discontinue this elaborate steaming process.

There are many ways of employing the dried potatoes as fodder. Dry flakes can be given as food, and whenever necessary they can be moistened. For feeding pigs, skim-milk is the best thing to moisten the potatoes with. In feeding cattle, at the commencement at least, it is perhaps advisable to give the flakes for slices, mixed with some chaff, otherwise, the dry flakes become too sticky and the beast must at first become accustomed to this.

The slices may also be given dry or moistened, or they may be soaked in hot water. The latter is advisable when the potatoes are very hard.

Good results have also been obtained from the following feeding methods. 2  $\frac{1}{2}$  *zentner* (daily consumption) of sliced potatoes are mixed with 12 *Eimer* of hot water, so that they gradually absorb the water

and produce a soft mass which can be later mixed with the food, with the addition of skim milk and groats, if it is to be given to pigs.

For cattle, with regard to digestibleness, it does not matter whether flakes or slices are used; for their digestive organs are capable of digesting and of making proper use, even of the sliced potatoes.

In feeding other live-stock it has been noticed that the benefits obtained from the flakes is from 2 to 3 % higher than that obtained from the slices. The flakes are also less troublesome to masticate than the slices, this however is insignificant when fed to animals which chew the cud. It is remarkable that certain disorders, such as colic, abortion, sweating of horses, which often occur when raw potatoes are given as food, do not occur when dry potatoes are used. Dry potatoes are therefore found to be a dietary food-agent of the highest grade.

Further it is to be mentioned that dry potatoes also form a very valuable food for poultry. Fowl, ducks and geese will readily eat them in their food and most excellent results have been obtained on these lines.

The price for dry potatoes varies at present, normally between 7 and 8 marks per *zentner*, according to the price paid for raw potatoes. If we reckon, that on an average it requires about 4 *zentner* of raw potatoes to produce 1 of dry and allowing 1.50 m. as the price of the raw potatoes per *zentner*, we arrive at the sum of 6 marks. To this we must add 4 times 40 pf. as the cost of drying which together makes 7.60 marks.

A great controversy has been raised in the Agricultural Press as to whether this price ought to be raised or whether it is too high. Notwithstanding the high price, the consumption has enormously increased and notwithstanding all theoretical considerations, the demand has not diminished in the least. In many cases the demand was much larger than the supply which caused the price to rise still higher, in some cases to as much as 9 marks.

Dry potatoes, it was said, in comparison with other food-stuffs, were much too dear and this assertion was based upon a comparison made between the calculated nutritive properties. But upon this point we must add, that such a comparison between several food-stuffs one with another, to ascertain their value by means of calculations purely theoretical can not give precise results.

In undertaking such a comparison it is necessary also to take into consideration many other factors, such as the effect of a food-stuff from a dietetic standpoint and on this point it can well be said that the practical farmer in the judging of a food-stuff, will always, without doubt, give special consideration to the dietetic effects, for it is these considerations which protect him from many sudden losses, which other perhaps less expensive, but in their effect often not quite harmless, foodstuffs bring about.

It is chiefly on account of such considerations that dry potatoes in spite of their seemingly high price have become such a favourite food-stuff.

Considered from a hygienic point of view the effects of dry potatoes are numerous and it will do no harm to enumerate them.

In the first place they are of the highest digestible order. They are further a healthy, and as has been proved by innumerable feeding-experiments, an at all times good, salubrious, nourishing and an unvarying food. The appearance of illness, such as colic in horses, stones in the bladder in lambs, intestinal catarrh in calves, flatulency in cattle, etc., are not observed when dry potatoes are used.

From an agricultural point of view also are dry potatoes valuable. As we have already mentioned, the moistening process has been discontinued and the food is always ready for use. It is apparent that such properties must give a great value to a food-stuff, even if they cannot be expressed in direct figures, as can be done with regard to the nutritive properties. Many other things could be said in favour of dry potatoes, not the least of which is, that they can be produced on the home farm and, therefore, according to the recognised laws of agricultural economy, even if no other considerations are taken into account, would thereby gain the preference. Further it must be added that dry potatoes are, to a great extent capable of taking the place of other food stuffs, above all that of maize, the importation of which robs German agriculture annually of hundreds of millions of marks, but we have said enough upon this subject.

The favourable dietetic effects of this food-stuff, produced on the home farms, have already justified the reason for giving the greatest consideration to its employment. For the maintenance of a healthy, strong breed of cattle is not only valuable to agriculture, but in a marked degree of the greatest value to the whole political economy of a nation, for which the providing of sound and not too expensive meat as food for the lowest social strata of the people is extremely important.

#### §. 6. *Results of Experiments as to the Food Value of Dessicated Potatoes.*

It is to be remarked that immediately after the establishment of the potato-drying factories, the Government at once gave the consideration necessary to this problem. This is shown by the fact that the Army Administrators have allowed provisioning experiments to be made with dry potatoes in connection with cavalry and field-artillery detachments. The German Agricultural Council, likewise under the approbation of the Ministry of the Interior, has also allowed feeding experiments, to be undertaken in the State Experiment Stations. By means of these feeding experiments, in most cases carried out at the expense of the State, under the direction of Geheimen Hofrat Professor Doktor Kellner-Möckern, one of the greatest authorities upon questions dealing with the feeding of animals,

it has been established in the most incontestable manner, that the 3 up-to-date systems of using dry potatoes are capable of taking the place of oats and barley.

With regard to the feeding experiments undertaken with 156 horses, military and others of similar calibre, the said authority reports " that dry potatoes, slices as also flakes, according to their nutritive contents are in every way suitable to take the place of a third of the strength-giving food usually given in the form of oats or maize. Given in these proportions and completed by some other food, rich in proteins, they are capable of sustaining and keeping up the same standard of nourishment and health as well as strength capacity of the horses which otherwise can only be done by using oats, or maize and oats ".

Upon similar lines, extensive feeding-experiments were undertaken by Geheimrat Kellner with pigs, and in this connection it is firmly stated that maize and barley may be entirely superseded by dry potatoes, the latter even, as regards maize, having a much more favourable influence upon the quality of the meat and fat of the animal when intended for purposes of consumption.

By means of these experiments it has also been established that all three of these products of dessication have excellent effects.

At the Experiment Station in Bonn for example, two groups of 8 pigs each were fed, the first with potato flakes, the second with pressed potatoes for 8 weeks and during this time they gained respectively 246.6 kg. and 289.3 kg.

During experiments in the Kaiser Wilhelm Institut at Bromberg, 15 pigs fed with flakes gained together 404 kg. in 6 weeks, at the same time 15 fed with pressed potatoes gained 426 kg. Similar results were obtained from experiments carried out at the Experiment Stations at Münster in Westphalia, Rostock, Lauchstadt, Insterburg, Mockern and Weißenstephan.

With regard to the digestibleness of pressed potatoes, moistened potatoes, flakes and slices, Geheimrat Kellner has found the following figures:

	Percentage of organic substance digested	Percentage of raw proteins digested	Percentage of non nitrogenous substances	Percentage of raw fibre digested
Pressed Potatoes . . .	94.5	27.0	98.0	85.0
Moistened Potatoes. . .	94.0	76.0	98.0	72.0
Potato Flakes . . . .	95.0	76.0	97.0	72.0
Potato Slices. . . . .	91.0	55.0	94.0	70.0

We will add a few more words concerning the price of dry potatoes as compared with that of barley and oats.



Kellner places the value of dry potatoes at 100, then, according to his results, barley is equal to 97 and oats to 95. The value according to the amount of starchy substances they contain is as follows:

Dry Potatoes. . . . .	68.8
Barley-food . . . . .	66.6
Oats . . . . .	59.6

Thus dried potatoes have the first place, both as regards intrinsic value and percentage of starch. We must, then, at least admit the same price for dried potatoes as for barley food of good quality or oats. Barley, in the middle of 1910, cost, 1<sup>st</sup> quality 8.50 Marks, 2<sup>nd</sup> quality 8 Marks and 3<sup>rd</sup> quality, 7.25 Marks.

Oats at the same time cost from 8 to 8.55 marks. Nevertheless the price of dry potatoes was lower. If we reckon the money-value of a *zentner* of dry potatoes according to Kellner's starch-value theory we arrive at the following results:

1 Zentner of Dry Potatoes . . . . .	7.14 m.
1 „ „ Barley Food . . . . .	7.10 m.
1 „ „ Oats . . . . .	6.40 m.

If we take into consideration that barley food is very often of doubtful quality, it is not too high to place the price of a *zentner* of dry potatoes at from 7.50 to 8 marks which is equal to the best quality barley food.

#### § 7. Rules for the Commerce of the Products of Potato-dessication.

The extensive dimensions, which the commerce of dry potatoes has reached was sufficient reason on the part of the German Society of Potato Dryers, for the compilation of "Normen für den Handel mit Trockenkartoffeln" (Rules for the Commerce of the Products of Potato-dessication).

There is no doubt about it, that these rules have done a great deal to keep the commerce of these products on proper lines, whereby the producers and consumers receive equal benefits.

On account of the general interest we reproduce these rules intact as follows:

§ 1. The flakes, thin flakes and slices are a product obtained from raw potatoes, from which the greater part of the moisture has been extracted.

§ 2. The first-class product must be sound and free from all foreign ingredients. Nothing must be added to or extracted from the component parts. The colour is of no great importance. The percentage of moisture must not exceed 16 %.

§ 3. It is delivered in waggon-loads of at least 100 quintals net. If the portion of the delivery sent, does not reach or exceeds the proper

amount, the last waggon-load must contain such an amount as will make up the difference. Over and underweight deliveries of portions are permitted up to the extent of 2.5 %. In the case of incomplete waggon-loads, when the amount lacking is more than 2.5 %, the sellers must pay the difference of the freight. When the delivery is arranged to be completed within a given period, regular amounts are, as far as possible, sent every week or month, except when the seller has reserved to himself the right to choose the date of the delivery.

§ 4. Should the water contents of the product be higher than 16 % but not over 17 %, the buyer has the right to make a deduction of the amount produced by the overweight in water calculated at double the price of the product.

In the case in which the product contains more than 17 % of water the delivery is not according to contract.

The process of establishing the water contents takes place in the Laboratory of the Society of German Potato Dryers and is final for both parties.

The seller has the right to make a trial before loading goods, in the following manner. In the presence of an irreproachable witness, samples are taken from 10 % of the sacks and mixed. These are placed into three dry bottles which must be corked or sealed. Should disputes arise, one of these bottles is sent to the Society of German Potato Dryers, where the goods are analysed to ascertain the water contents, one bottle is kept by the seller, the third, upon request, will be sent to the buyer.

Should the seller not take the necessary steps to make this trial they may be taken by the receiver. The costs of the analysis are paid by the loser.

§ 5. All disputes concerning the quality, etc., of the products of potato-dessication are settled at the Laboratory of the Society of German Potato Dryers. The costs of the analysis are paid by the loser. The samples must be taken and sent on the same lines as mentioned in § 4.

§ 6. All complaints must be made by the receiver in writing, not later than three days after the receipt of the goods, otherwise they are considered to have been delivered according to contract.

§ 7. If no other calculations are made, the weights as established by the station of departure are considered as final.

§ 8. C. O. D. terms are insisted upon.

#### **§ 8. The Accomplishment of Potato-Dessication by means of Co-operative Societies.**

Taking into consideration the development, which the movement of agricultural co-operation has accomplished in German agriculture, it is not to be wondered at that the idea was soon formed to try to solve the problem of Potato-Dessication on co-operative lines.

According to the Official Statistics of Prof. Petersilie (this is the last Official Report) there were 7 potato-drying factories with 282 members on the 1st January, 1908.

*Das Jahrbuch des Reichsverbandes der deutschen landwirtschaftlichen Genossenschaften* (The Yearbook of the National Federation of the German Agricultural Co-operative Societies) places the number for the end of 1908 at 10 Potato-Drying Co-operative Societies with 386 members forming part of them. Of these 3 were founded in 1906, 2 in 1907 and as many as 5 in 1908.

Six of these 10 co-operative societies have issued statistics concerning the sums invested in these enterprises, which vary between 74,489 and 264,654 marks. The assets of the property, that is, machines and premises amount in the lowest case to 69,149 marks - in the highest to 196,895 marks - and altogether to 648,608 marks. The administration expenses of these 6 co-operative societies also amount to 186,867 marks; their own working capital to 72,467 marks, of which 68,900 marks is active and 3,567 marks in the reserve funds; the latter owing to the extremely short period of their existence are still very small.

Besides that which was distributed among the members, desiccated products to the amount of 468,017 marks have been sold.

The 6 balance sheets show a profit of 12,216 marks over the amounts of 734,267 marks credit and 722,051 marks debit.

All of these 10 drying co-operative societies were established in the Kingdom of Prussia, that is 3 in the Province of Brandenburg, 2 in the Province of Saxony and one in each of the Provinces of Hanover, East Prussia, Pomerania, Silesia and West Prussia.

Unfortunately there are no particulars concerning the amount of raw potatoes used, but this cannot have been of small dimensions, considering the large amount of capital invested and the still more important turnover of 2,401,718 marks for 6 such co-operative societies.

A considerable number of new Potato-Dessication Co-operative Societies have been founded since 1908 and announcements concerning the legal registration in the Co-operative Societies' Register of such co-operative societies appeared almost every day in the official gazette *Reichsanzeiger*. The definitive number of the existing societies will naturally not be known until the statistics concerning these societies have been completed, but so much we know, that a strong movement has been set going in favour of the dessication factories based upon co-operative lines among the agriculturists. This movement is above all quite general. It is not limited to the districts in the Provinces of East Prussia, specially favourable to the cultivation of potatoes only, but it has also extended to the most densely populated districts, such as for example, the Kingdom of Saxony, although it must be understood, that here sufficient opportunities for growing po-

tatoes for domestic consumption are not in any way lacking. The writer of this article had to attend several meetings of agriculturists, held in the Kingdom of Saxony with the object of establishing such co-operative societies and was, therefore, from personal observations, in a position to be able to state with what rapidity the farmers were able to overcome the problem of potato-dessication. It is besides easy enough to understand

As we have already stated the dessicated product is in every case an excellent food-stuff. By means of extensive use of the same for feeding purposes it will be possible to produce more meat for the ever growing population of Germany. The production of potatoes has by no means reached the height of possibilities, but that rather, by means of the suitable growing of species better able to withstand disease, as well as by means of careful cultivation, the yield could be greatly increased. When through extensive employment for feeding purposes, the dessicated potato has arrived at a proportionate utilisation, without doubt the yield of potatoes will be increased as much as possible, and the costs of this increased cultivation will be repaid in proportion. It must not be forgotten either that the dried potato is a food that any farm may produce for itself, and which, for that reason, will even have the preference from the financial point of view, over foods that could be imported on the same conditions from abroad. Briefly, if we consider the other advantages mentioned above, offered by the potato dessication industry, the interest taken in it by the farmers will be understood. It is a sign of the high standing of German agriculture that the experiences of science find such an easy application in the practice of agriculture for which they are intended.

The following principles are generally taken into consideration by the co-operative societies when they have to decide whether they should or should not occupy themselves with potato dessication.

In the first place it is necessary to learn definitely, by inquiries made of the agriculturists of a district more or less large, or by meetings expressly convoked, what prospective quantity of potatoes will be forthcoming for dessication purposes. The agriculturists wishing to take part, must state the quantity of raw potatoes they are able to furnish and must bind themselves to this effect. Should it be impossible to raise 40,000 *zentner* of raw potatoes, it is impossible for them to think of erecting a factory of their own, for it would be impossible to make proper use of the machines with a too small quantity of potatoes and the cost of drying would thereby be too high. Numerous dessication co-operative societies have been established lately, which before commencing the factory make it certain that they can obtain at least 100,000 *zentner* of raw potatoes. The reports issued by a dessication factory which has been in existence for three years in the Kingdom of Saxony, state that better use will be made of the machines if the work of such a factory is continued without interruption.

It is also not necessary, that the potatoes should be transported direct to the factory in carts, but the experience of the factories already mentioned is that within a radius of from 40 to 50 km. the potatoes can be sent to advantage by rail and this will be found much more economical especially when the dessication factories possess a private line in connection with the railway, whereby the potatoes may be unloaded direct from the railway trucks by means of cranes in a depositing site specially prepared, if that is possible.

The greatest care must be used in choosing the place where the factory is to be erected. Those neighbourhoods are to be recommended which are in immediate touch with the railway.

With regard to the choice of system it must be clearly settled whether the society intend to undertake the dessicated products only or whether it will cater eventually for the drying of beet root leaves and other things. In the first case the choice lies between the potato flakes or the press-system, in the second, the *Allestroekner* (Alldryer), will be adopted.

As there are several machine factories, about 24 in all, which are employed in the manufacture of the machinery for the different systems, the decision rests not so much with the factory on hand as with the calculation of the costs.

The promoters of the society will therefore receive several suitable tenders, the investigation of which is readily undertaken by the Society of German Potato Dryers in Berlin, which also imposes certain rules on the contractor for the furnishing of guarantees concerning the term of delivery of the machinery and its capabilities, also with regard to the firing materials required and the power, as well as the quality of the product.

The size of the factory requires great consideration. A too small plant is worked at enormous expense, whilst a much larger apparatus costs much less to work in proportion, besides giving better results and reduces the cost of the working power, as well as makes better use of the fuel. In every case, when the factory is under construction, consideration should be given to the possibility of enlargements.

Smaller constructions may, with advantage, be added to the already existing works, such as alcohol distilleries, starch and sugar factories and dairies.

For the production of power any kind of steam engine, portable engine or motor may be used so long as it possesses the necessary strength.

Further the skill and competence of the works manager also play a not unimportant rôle in this connection.

Reliable figures, therefore, upon the costs of a potato dessication factory can only be arrived at by taking into consideration all the factors which deal with the case in hand. The figures of the 6 dessication factories reported in the *Jahrbuch Reichsverbandes* give a rough indication, but even

there we notice also great differences of from 700,00 marks to about 200,000 which are accounted for by the size and arrangement of the enterprise. If the working expenses of some of the factories are too high, in some cases as much as 70 Pfg. for each *zentner* of raw potatoes, it is a sign that mistakes were made in the equipment or that the supply of raw material is insufficient.

This state of affairs must be avoided from the commencement and it may be stated in general, that proportionate consideration should be given to this weighty point.

Then it is also of great importance to place the inner organisation of the co-operative society upon the right lines and to give a rational setting to the statutes as well as the business arrangements. Above all, measures must be taken to obtain the utmost possible amount for the construction of the factory from the circle of members themselves and it is a consideration that the capital produced among themselves is the cheapest, as the co-operative society is in a position to establish the rate of interest of the shares as high as it pleases at the General Meeting. The shares should therefore not be placed too low and the number of shares to be acquired must also be arranged according to the measure of each member's interest in the concern.

In many cases lately the shares have been fixed at 100 marks each and it has been further decided, that each member must acquire a further share for each 100 or 200 *zentner* of raw potatoes he delivers. Having therefore a promised quantity of 100,000 *zentner*, there would be from the beginning 1,000 or 500 shares representing a paid-up capital of 50,000 or 100,000 marks. The circumstance, that members have a greater interest in an undertaking when they take a strong financial part in it must not be underrated.

Small sacrifices made in this direction are richly repaid through the uninterrupted working of the machines and these are much more indispensable when we consider that such co-operative societies are not under the permanent control of the master as in a private factory, and the members of such a co-operative society naturally have their own economic affairs to attend to and cannot constantly make inspections of the technical working of the factory.

Establishments for potato dessication organised upon the principles set forth above as dependencies on distilleries, dairies, etc have given satisfactory results. It will then be useful to take account of these, so as not to expose ourselves to disappointment. Other useful lessons may naturally be learned by the co-operative societies in further experience.

It is enough to say in conclusion that German Agriculture has indubitably found in the potato dessication industry a precious auxiliary, the importance of which can not now be too highly appreciated.

## II. — RECENT NEWS.

### 1. Work of the Federations and Central Institutions of the Co-operative Societies and Large Agricultural Associations.

#### A. FEDERATIONS AND CENTRAL INSTITUTIONS OF THE CO-OPERATIVE SOCIETIES.

1. **Raiffeisen Organization in 1909.** — We here reproduce from the Raiffeisen Calendar (1911) the following data from the Report of the General Federation of Neuwied for the financial year 1909, the official publication of which will only take place some months hence.

In the course of the year 1909, 95 new banks (Loan and Savings Banks) and 90 other co-operative societies, or altogether 185 co-operative organizations joined the Federation. There withdrew from it: 36 banks and 27 other co-operative societies, or altogether 63 co-operative societies. At the end of 1909 the Federation comprised:

4,399 Raiffeisen Banks, and
770 other co-operative societies, making a total of
<hr/>
5,169 co-operative societies.

Since the 31st. December 1908, there has been an increase of 122 co-operative societies.

In the following table we reproduce the figures for each of the 13 federations dependent upon the General Federation of Neuwied.

Federation	On the 31st. December, 1908			On the 31st. December, 1909		
	Raiffeisen Banks	Other co-operatives societies.	Total	Raiffeisen Banks	Other co-operatives societies.	Total
Berlin . . . . .	461	71	532	472	80	552
Brunswick . . . . .	151	28	179	153	30	183
Breslau . . . . .	452	63	515	460	85	545
Dantzig . . . . .	265	105	370	264	112	376
Erfurt . . . . .	431	51	482	438	63	501
Frankfort on Main . . . . .	181	41	222	180	43	223
Cassel . . . . .	375	34	409	382	36	418
Coblentz . . . . .	391	43	434	395	44	439
Königsberg . . . . .	286	58	344	299	56	355
Ludwigshafen . . . . .	250	36	286	250	37	287
Nuremberg . . . . .	406	47	513	467	48	515
Posen . . . . .	190	100	290	188	108	296
Strassburg . . . . .	441	30	471	451	28	479
	4,340	707	5,047	4,399	770	5,169
	In 1908 . . . . .			4,340	707	5,047
Increase compared with 1908 . . . . .				+ 59	+ 63	+ 122

Thus the number of affiliated co-operative societies increased in each federation, notably in those of Breslau (+ 30), Berlin (+ 20), Erfurt (19) and Königsberg (+ 11).

The majority of the Raiffeisen Banks have their headquarters in rural communes, but there are also some in the towns. At the end of 1909, there were 337 Raiffeisen Banks with headquarters in towns: they may be divided as follows, with regard to the 13 federations of which they formed part:

Berlin . . . . .	14	Coblentz . . . . .	31
Brunswick . . . . .	—	Königsberg . . . . .	43
Breslau . . . . .	13	Ludwigshafen . . . . .	2
Dantzig . . . . .	31	Nuremberg . . . . .	10
Erfurt . . . . .	20	Posen . . . . .	20
Frankfort . . . . .	2	Strassburg . . . . .	32
Cassel . . . . .	19		



The other co-operative societies are divided in 50 different classes, which shows how various in its forms co-operation is.

First there are the co-operative dairies, numbering 315, then:

the co-operative distilleries numbering 81;

» » » » 76;

» » societies for purchase and sale, 52;

» » viticulturists' societies, 52;

» » electric power societies, 26;

» » granaries, 23;

» » distributive societies, 17.

At the end of 1909 there were affiliated to the Central Neuwied Bank, 4,360 Raiffeisen Banks, or 88 banks more than in 1908.

These co-operative banks had taken shares for a total amount of 8,581,000 M.

The accounts of the various dependent banks show the following figures:

Central Bank with seat at Frank-

fort on Main . . . . . 267,519,283 Marks

Branch Bank at Berlin. . . . . 43,028,957 »

» » Brunswick . . . . . 20,760,187 »

» » Breslau . . . . . 63,819,481 »

» » Dantzig . . . . . 73,179,684 »

» » Erfurt . . . . . 53,822,647 »

» » Frankfurt . . . . . 6,560,038 » .

» » Cassel. . . . . 36,638,885 »

» » Coblenz. . . . . 69,369,320 »

» » Königsberg. . . . . 48,468,883 »

» » Ludwigshafen . . . . . 21,811,001 »

» » Nuremberg . . . . . 37,760,269 »

» » Posen . . . . . 17,068,615 »

» » Strassburg . . . . . 27,399,482 »

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Total. . . . . 787,206,732\* Marks

Increase of capital 29,061,227 marks.

That of the Banks for the other co-operative societies not in direct

business relations with the Central Bank, as are exclusively the Raiffeisen Banks of limited liability, is as follows:

Berlin . . . . .	5,280,000	marks
Breslau . . . . .	15,873,000	»
Dantzig . . . . .	84,172,000	»
Erfurt . . . . .	3,624,000	»
Frankfort. . . . .	419,000	»
Cassel . . . . .	16,271,000	»
Königsberg . . . . .	41,317,000	»
Ludwigshafen . . . . .	5,427,000	»
Nuremberg . . . . .	4,051,000	»
Posen . . . . .	100,433,000	»
Strassburg . . . . .	2,287,000	»
Total . . . . .	280,630,000	marks

In the *goods division*, the capital appears as follows:

Branch at Berlin . . . . .	6,209,762	marks
» Brunswick . . . . .	3,507,190	»
» Breslau . . . . .	10,004,096	»
» Dantzig . . . . .	17,315,635	»
» Erfurt . . . . .	10,512,675	»
» Frankfort. . . . .	1,423,521	»
» Cassel . . . . .	4,772,862	»
» Coblenz . . . . .	3,355,504	»
» Königsberg . . . . .	5,622,800	»
» Ludwigshafen . . . . .	3,241,691	»
» Nuremberg . . . . .	3,116,710	»
» Strassburg . . . . .	1,986,177	»
Total . . . . .	71,068,623	marks

The net profit appears as 500,051.90 marks, of which 3 ½ % was distributed as dividend on the shares, 75,323.90 marks put to the reserve fund, 156,478 marks to the *del credere* fund; the total reserve fund is now 650,154 marks.

Herr Caspar-Bubenheim, *economic adviser*, having retired, on account of his advanced age, Herr Dietrich, legal adviser, attorney and notary at Prenzlau, has been appointed General Manager.

We have to draw attention to an important decision: the goods business will no longer appear in the accounts of the Central Bank, and special goods divisions have been instituted in each of the 13 branches. These independent provincial goods divisions have been constituted either

as central co-operative societies, or as limited liability societies or (in one case) as societies limited by shares.

The removal of the goods business from the Central Bank was due to the continual increase of the cash business; it was therefore advisable from the financial point of view.

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2. **National Co-operative Bank (Reichsgenossenschaftsbank) Darmstadt.** — We reproduce the following items from the Report of the National Co-operative Bank-Darmstadt, upon the last financial year.

The fully paid-up share capital amounted to 5 million marks and the reserve funds to 114,665 marks.

The deposits of the members at the end of the financial year amounted to 13,136,965 marks, of which 8,691,489 marks were deposits payable at dates from 3 to 12 months' notice. Further, 601,000 marks were received on guarantee (Lombarddarlehen) and 344,868 marks from banks.

The credit were:

Cash in hand . . . . .	marks	74,374
Credit at banks . . . . .	»	105,579
Securities . . . . .	»	2,210,346
Bills of exchange . . . . .	»	6,273,717
Current accounts . . . . .	»	10,879,224

The balance sheet with a credit and debit amount of 19,571,217 marks shows a net profit of 214,462 marks.

The total turn-over during the last financial year amounted to 610 million 025,844 marks, of which 558,605,292 marks belonged to the cash-department and 51,420,522 marks to the goods-department.

The goods-department supplied the members with 7,052,000 *zentner* of coal and 637,035 *zentner* of food-stuffs for cattle and manure to the value of 5,770,207 marks.

Below we give a list of the institutions and persons that have become members of the National Co-operative Bank:

The National Federation of the German Agricultural Cooperative Societies;

13 Central Banks;

23 Central Goods-Departments;

11 Other members (among whom is H. R. H. the Grand Duke of Hesse).

It is further to be stated that at the General Meeting it was unanimously decided to transfer the headquarters to Frankfurt on the Main, but the decision as to when this will take place rests with the Administration Board.

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3. **22nd. Congress of the Federated Dairies of Westphalia, Lippe and Waldeck.**  
— The following is reported of the 22nd Congress which was held at Münster in W. on the 10th November, 1910:

Of the 97 dairies affiliated to the Federation, 77 made detailed statements with regard to the business done by them. The average number of members for each dairy was 146. The quantity of milk delivered amounted to 120 million litres, a yearly average for each dairy of 1,559,730 litres or 4,246 litres per day. The quantity of new milk sold was 16.4 million litres, whilst of the remainder 3.9 million kilogrammes of butter were produced.

The takings for milk and dairy produce amounted to 11.6 million marks of which 10 millions were paid to the members.

The costs of organisation and administration amounted to about 1 million marks.

The property belonging to each co-operative dairy amounts to 16,300 marks on the average.

During the financial year the following prices were received for butter:

	Per 100 kg.
From sales to private persons according to the yearly balance . . . . .	262 marks
From sales to private persons according to daily prices . . . . .	269 »
From sales to dealers according to yearly balance . . . . .	250 »
From sales to dealers according to daily prices . . . . .	259 »
From sales to members . . . . .	250 »

The estimated outlay of the Federation for 1911 has been established at 82,400 marks.

(Summarised from the *Deutsche landwirtschaftliche Genossenschaftspresse*, (German Agricultural Co operative Press) No. 23, 1910).

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4. **The 3rd Meeting of the Federation of Milk Producers of S. W. Germany** was held on the 21<sup>st</sup> and 22<sup>nd</sup> January at Friedberg. Dr. Harmann (Darmstadt) gave a lecture upon the supply of meat and milk in the district of the Federation. Herr Hirschel (Friedberg) read a report on the new law on con-

tagious cattle diseases (*Viehseuchengesetz*). In concluding his report he made the following proposal, which was unanimously accepted by the Meeting:

"The Meeting of the Federation prays the Governments of the States of the Empire not to issue executive regulations of the law on contagious cattle diseases before hearing the representatives of the Federations of dairies and milk producers."

Last Herr Krüger (Darmstadt) spoke: "upon the dairies and the associations of milk producers." He proposed a friendly collaboration of these two groups under the name of dairies.

Herr Bill (Niederweisel) accepted the proposal. By common consent a special committee was formed, consisting of 12 members of the milk producers and 12 members of the dairies, to deal with matters of common interest.

Summarised from the Bund der Landwirte für Südwest Deutschland (*Farmers' Confederation for South West Germany*) 20th. January, 1911.

### B. LARGE AGRICULTURAL ASSOCIATIONS.

I. **The 25th. Anniversary of the German Agricultural Association.** — For the occasion of the celebration of the 25th. anniversary of the existence of the German Agricultural Society, special meetings of this Society were held in Berlin, during December, 1910. H. M. the German Kaiser, as well as the Chancellor of the Empire von Bethmann-Holweg and the Minister of Agriculture of Prussia, Freiherr von Schorlemmer-Lieser, took part at the most important meeting.

His Majesty the German Kaiser made the following speech during the meeting:

«It is with a sense of extraordinary gratification that I receive the assurance of the unchanging devotion and grateful sentiment, which has just been expressed towards me by your President in the name of the German agriculturists. My associations with the German Agricultural Association date back to the year of its foundation. A few weeks after the commencement of my reign, at the wish of Herzog von Ratibor, the President at that moment, I undertook the protectorate of the German Agricultural Association, and during later years I have willingly allowed the Princes of my house to occupy the office of president of the society. The visits to the so brilliantly and successfully arranged exhibitions in Hanover and Berlin, gave me an opportunity of being personally convinced of the ever-progressing attainments of the German Agricultural Society and of its importance with regard to the development of German agriculture. My appearance here to-day, the day upon which your society may

look back upon a quarter of a century's faithful and steadfast work with legitimate satisfaction, may be considered by the society (the trusty counsellor and guide upon questions concerning agriculture in Germany), as a testimony of my imperial thanks and of my full appreciation of its activity and accomplishments. During the 25 years of its existence, the Society has taken every care of the economic and moral interest of agriculture in the most successful manner, and has assisted German agriculturists in all which concerns their glorious profession with word and deed and has supplied them with quantities of sound seed, which under the warmth-giving rays of the sun of peace have taken root and have reproduced a hundredfold. It is one of the permanent merits of the German Agricultural Association that it understood at the right moment, that agriculturists in the economic struggle for existence must adapt and take advantage of, for the furthering of their own ends, the industrial and technical progress made during the last few years by means of science and human ingenuity in the fields of botany, chemistry and the breeding of live-stock. By means of these endeavours, the German Agricultural Society, has contributed in a most eminent manner, to establish the efficiency of German agriculture, and has also improved the condition of the peasant and large landed property and in a large degree has established the conviction, that agriculture also may only derive benefits from our aspiring and flourishing commerce. To my congratulations for to-day's celebration I add my heartiest wishes for the future. May the German Agricultural Association arrive ever nearer and nearer to its goal and draw German agriculturists still further under its wings, and may they on their part firmly tie the band which joins all the German provinces together, and may it always make a point of fostering domestic love and of strengthening its members in the feeling of gladness in their profession, that thereby the people occupied in agriculture may at all times prove themselves a sound and trustworthy part of the German people for the good of the united Fatherland."

The speech of the Imperial Chancellor at the same meeting was as follows: "With reference to the gracious words of His Majesty the Kaiser and King, I bring, in the name of the United Organisation of the German Agricultural Society, the warmest congratulations upon the celebration of this anniversary. The tasks upon which the society is employed, encompass ever-widening branches of the profession of agriculture. In the accomplishment of these tasks the society is instrumental not only in bringing to light the treasures of the domestic soil and in their being made proper use of but also, thanks to it, by means of ardent combinations of scientific research and practical experience, they are preserved and maintained. Such work serves, in the same manner for the present as well as for the future of our people and thus most efficaciously supports the endeavours of the Nation and

of the Confederated States in the raising and furthering of German agriculture. On the occasion of this celebration I cannot wish the German Agricultural Association anything better, than that it may for all time remain true to the aspiration and the joyous spirit which it has hitherto shown, for then will its endeavours in the future never want for success and blessing."

After the National Chancellor, Freiherr von Schorlemmer-Lieser, the Minister of Agriculture of Prussia, made a speech, in which, amongst other things, he said the following: "From the point of view of my department, I must acknowledge it as a great merit on the part of the German Agricultural Association, that it not only tries to satisfy its interests individually, but tries to be in constant touch with the agricultural organisation of the Confederated States, and therefore it has built up a friendly condition of mutual confidence between the National Agricultural Organisation and the German Agricultural Association, which has especially aided both parties to accomplish profitable work". The Minister ended with the hope that this work in common for the good of agriculture might continue

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## 2. Resolutions taken by some Agricultural Organisations on Important Matters.

### a) *Meat Supply.*

**The Westphalian Peasants' Federation** in its sitting of the 15th November adopted the following resolution: "The General Meeting of the Westphalian Peasants' Federation considers it absolutely indispensable, for the health of German Cattle, that the protection of the frontiers be continued. Only when he is sure of sufficient sanitary protection will the peasant be in a position to extend and improve the breeding of his cattle and so insure the supply of meat of good quality necessary for the German people. Certain that the Government will continue the present system the federation advises all the farmers of its district to devote their energies in a still greater degree to the breeding of cattle for slaughter. It specially recommends them to continue to breed and fatten pigs and not to diminish their efforts, even when prices are low.,"

The Board of Management of the **Rhenish Peasants' Federation** adopted the following resolution: «The Board of Management of the Rhenish Peasants' Federation, has just learned, to its regret, that the frontier will be opened for the importation of foreign cattle and that this opening, already accomplished by some States of South Germany in the case of the French frontier, is also to be extended to the Danish and Dutch frontiers. The Rhenish Federation is of opinion that the health of German

cattle will not be sufficiently guaranteed so long as the cattle are not sufficiently protected against the importation of contagious maladies and as long as the veterinary measures taken in the countries, the frontiers of which are already or will soon be opened give no sufficient guarantee in this respect. The proper measures for keeping the sanitary condition of the indigenous cattle as it should be are the first and most indispensable condition for placing the German cattle-breeder in a position to persevere in the accomplishment of his task, which consists in supplying the German population with sufficient quantities of healthy meat. The Board of Management of the Federation respectfully thanks the Royal Prussian Government for having refused to open the frontier to foreign cattle. Trusting that the Government will continue of the same mind, and so guarantee at all costs the protection indispensable against the importation of contagious diseases, the Federation counsels all the Rhenish farmers to contribute in every possible way to the supply of meat of good quality to the German population encouraging and increasing the breeding and fattening of cattle as far as is possible on their respective farms.

The **Landeskulturrat** (Board of Agriculture) of the Kingdom of Saxony declared in its sitting of the 28th-29th November.

1. There is no want of meat. At most we may speak of the high price of meat;
2. The reasons of this high price must be sought less in the increase of the price of cattle as sold by the suppliers than in the increase of the number of middlemen and in the gains they realise;
3. A further opening of the frontiers would not bring about a diminution of price, but it would contribute to damage production and to diminish it extensively;
4. The Government should be asked to investigate whether the price of meat could not be limited by means of co-operative slaughter houses formed by the farmers.

The **General Meeting of the Wurtemberg Central Committee for Agriculture** on the 19th December unanimously adopted the following resolution: with a view gradually to diminish intermediary commerce, to found a central Wurtemberg office for utilisation of cattle. It also unanimously expressed its opinion that the admission of foreign butchers' beasts into the country, was dangerous for the native production, and that, consequently, the importation of foreign cattle should be gradually limited, and that of foreign pigs in the shortest possible time.

In its sitting of the 21st December, the **Chamber of Agriculture of the Grand Duchy of Baden** pronounced the importation of French cattle dangerous for the sanitary condition of the native cattle.

The **Economic Committee of the Chamber of Agriculture of Gotha** recognised, in its sitting of the 17th November, that it is very important for



the cattle farmer to know if the retail price of meat is in proportion to the price of cattle.

"Considering that steps taken by the cattle breeders and cattle fatteners alone, by means of co-operative societies for the utilisation of cattle are not desirable, the Committee holds it the duty of the Communes to take action on their side that the supply of cattle to the population be at suitable price. For this purpose it recommends:

"1. That the slaughterhouses constructed by the communal administrations for sanitary and hygienic reasons be not considered as commercial undertakings, but rather as institutions of public interest. For this purpose, the charges of the slaughterhouses should not exceed the expenses of administration and the importation of cattle from another locality should not be rendered difficult by local regulations.

"2. An irreproachable system should be established for fixing the prices of live and slaughtered cattle.

"3. Arrangements should be made for a continual supervision over the retail prices of meat and for the general publication of these prices. To attain this end, the butchers should be ordered to specify in greater detail the different kinds of meat, so that the prices may be better adapted to the quality of the meat."

#### b) *The Struggle against Contagious Cattle Diseases.*

The **Insterburg Central Agricultural Association** in its sitting of the 3rd December adopted the following resolutions: It first asked for compensation for those farmers who had not been able to sell their cattle on account of apthous fever. It asked for less delay in the steps taken in the case of closing stables, scientific investigations into the origin of the fever, the continuation of the statistics formerly commenced by the Chamber of Agriculture as to the origin and importation of each case of apthous fever, rewards to those who shall at once indicate a first case of contagious disease, etc.

#### c) *Technical Instruction for the Master Herdsmen (Stallschweizer).*

The **General Federation of Master Herdsmen** (*Allgemeiner Stallschweizerbund*) has forwarded a petition to the Imperial Parliament in which it asks for the institution of technical schools for the master-herdsmen and milkmen. The large number of Master Herdsmen (80,000) in Germany, the importance of cattle as food for the Nation and the struggle against contagious cattle diseases call for, according to their petition, an improvement in the technical instruction of their class, as a thing most desirable in the interest of the whole Nation.

The **Landeskulturrat** (Board of Agriculture) of the Kingdom of Saxony in its meetings of the 28th and 29th November, adopted the following resolution: "The Permanent Committee is instructed, with the help of the funds placed at its disposal, to take steps for the improvement of the instruction of the Master-herdsmen and to report thereon at the next general meeting."

d) *A Law on German Milk* (Reichsmilchgesetz).

The **Landeskulturrat** (Board of Agriculture) of the Kingdom of Saxony, in its sittings of the 28th and 29th November, occupied itself with the matter of the supervision of State Offices over the milk trade, and its importance for farmers. Since the Saxon Ministry had not succeeded in remedying the evils at present existing, and since the matter concerns all the German farmers, the Board decided:

1<sup>st</sup> To ask the Royal Saxon Government to take steps that a law on the matter be presented to the Bundesrat (First Imperial Chamber); and 2<sup>nd</sup> with the same intention to address the German Council of Agriculture.

e) *Price of Livestock and Price of Meat.*

The **Chamber of Agriculture** for the **Grand Duchy of Baden** has been able to ascertain, by statistical research, that in the large and middle-sized towns, the difference between the price of pork sold retail and what is paid on the markets for live pigs is three times higher than in the years 1904-1906.

f) *The Distress among the Wine Farmers.*

The **Wiesbaden Chamber of Agriculture**, in its sittings 19th-20th December, passed a resolution praying the Minister of Agriculture, with as little delay as possible, to grant sums of money, not to be repaid, for the relief of the distressed wine farmers in the district of the Chamber of Agriculture and to contend against the enemies of the vines.

(Summarised from the *Zeitschrift f. Agrarpolitik* (Journal of Agricultural Politics) December 1910 and January 1911)

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3. The **Central German Agricultural Labour Registry Office**, at Berlin (Deutsche Feldarbeiter Zentralstelle in Berlin) has obtained, by a Prussian Government Order, dated 21st August, 1910, a special situation dispensing it from conformity to the legal provisions governing the professional

registry offices and those of public interest. It has approached other Governments of the confederation and it may be foreseen that it will receive the same advantages throughout the whole Empire.

The office, which may make no profits on its transactions, has been of great advantage to German Agriculture.

The office was founded in Berlin in order to find a remedy for the insufficient number of agricultural labourers in Germany, as an association of public interest, by groups interested, acting in harmony with the Prussian Ministry of Agriculture. It was authorized by order of this Ministry and instructed on the 21st December, 1907, to watch over the legitimation of foreign labourers. For this end, by order of the Home Office, it instituted special offices at the frontier stations.

Employees who can speak many languages examine all the papers of the foreign labourers and give them information gratis.

Fifty two local offices in continual communication with each other, may, thanks to their statistics and the centralisation of supply and demand of labour, direct the current of immigrant labourers to the regions requiring their labour.

(Summarised from the *Landwirtschaftliche Presse* (Agricultural Press), 30th November, 1910)

## 2. Miscellaneous Information.

1. **The Settlement Association of Pomerania.** — The Settlement Association of Pomerania, can, according to the Co-operative Newspaper of Pomerania look back upon its seven years of existence with satisfaction, on account of the really favourable results attained. During these seven years 69 estates, comprising an area of 35,005 hectares have been bought or taken over by the Association to be divided on commission among the colonists. This area was divided up into 1,314 farms of which 23 were lots containing more than 100 hectares each, and 1,291 smaller ones. The size of the greater number of the lots varies between 10 and 25 hectares. The 1,314 lots are divided up among the different administrative districts in the following manner:

District of Stralsund . . . . .	257 lots
» of Stettin . . . . .	191 »
» of Köslin . . . . .	787 »
» of Frankfurt on O. . . . .	56 »
» of Marienwerder . . . . .	23 »

Total. . . 1,314 lots

55 lots had been taken over by the "Rentenbank," by the 1st January, 1910, and of these 9 were in the administrative district of Stralsund, 7 in Stettin, 36 in Köslin, 2 in Frankfurt and 1 in Marienwerder. Up to the end of 1909, 1,196 colonists had been collected. Of these 955 came from the Province of Pomerania, 63 from the Province of Brau, denburg, 87 from West Prussia, 26 from Posen, 10 from Saxony, 4 from Westphalia, 1 from the Province of the Rhine, 7 from Berlin, 42 from Mecklenburg, 2 from Brunswick, 1 from the Palatinate, 1 from Courland and 5 from the Don Territory (Russia). According to the original occupations they pursued, they were as follows:

- a) Independent farmers or tenant farmers, 46.2 %;
- b) Agricultural labourers, 28.7 %;
- c) Handworkers (shoe-makers, tailors, masons), 17.2 %;
- d) Townspeople, 7.9 %.

The following table shows the number and area of the lots acquired by the colonists

128 colonists acquired lots				under 2 1/2 hec. in area			
50	"	"	"	from 2 1/2 to 5	"	"	"
61	"	"	"	" 5 to 7 1/2	"	"	"
166	"	"	"	" 7 1/2 to 10	"	"	"
648	"	"	"	" 10 to 25	"	"	"
114	"	"	"	" 25 to 100	"	"	"
23	"	"	"	over 100	"	"	"

From the above table we see that it was considered of great importance to constitute the lots of such a size as to make it possible for the family, taking one of these lots, to manage it amongst themselves. The few lots of over 100 hectares each, the so-called *Grossbetriebe* or larger undertakings, were only formed, in order, where necessary to be able to utilise the existing buildings.

The activity of the Settlement Association, where the procuring of loans available to the possessor of private property for the purpose of building workmen's houses, is concerned, grows in a most satisfactory manner. Up to the end of 1908, 710,325 marks had been given as loans on the security of 75 workmen's houses for 226 families by the Society. In the year 1909, the Society granted further loans to the extent of 463,000 marks for building 53 dwellinghouses for 146 families, so that, at the end of 1909, there were 118 houses for 372 families, built from loans which amounted to 1,173,935 marks.

Ten Building and Settlement Co-operative Societies have been added to the Pomeranian Federation of Co-operative Societies, the purpose of which is to provide healthy and specially arranged dwelling places, in houses expressly built for this purpose and to help workmen's families to

become possessors of their own houses. In this direction, the **Mutual Aid Building Society** of Greifenberg has had the greatest successes. This co-operative society has already built 51 houses, the value of which, in round figures, amounts to 375,000 marks. The **Baltic Building Co-operative Society** for the erection of rural workmen's-dwellings has also obtained good results.

**2. Cassel.** — As the Central Office for the property market, the **Hessian Settlement Association** (Co-operative Society with limited liability) was founded in Cassel. Two hundred co-operative societies of the **Hessian Federation of Rural Co-operative Societies** in Cassel participated in the foundation with a capital of 250,000 marks. The new association is intended:

1) to work specially for the preservation and establishment of an efficient peasant property;

2) to assist or cooperate in the settlement of native rural labourers;

3) to take a prominent part in the economic conformation of the necessary parcelling out of property.

The Association should be immediately informed by the co-operative societies, of all pieces of land which may be for sale, in order that the sales may result to the general advantage. The Association is a public benefit Institution.

It is hoped, that by reason of the precise knowledge of current circumstances, specially obtained through the co-operative societies, the help of agents will be entirely eliminated and that by these means advantages will be gained by both buyer and seller.

**3. Peasant Women's Meetings.** — This winter, for the first time, the **Bavarian Peasants' Confederation** instituted courses of housekeeping instruction for peasant women. At the first Meeting, at Weiden, in the Palatinate, on the 30th November, 1910, more than 800 peasant women followed the courses and attended the lectures given by technical persons on hygienic and sanitary matters, on the tending of animals, on the choice of fodder, etc. These meetings have been inspired by Belgian example. In that country the results obtained by them in three years have been satisfactory.

(Summarised from *Das Land* (The Country), 1st January, 1911).

# CO-OPERATION AND ASSOCIATION

## UNITED STATES.

### I. — CURRENT QUESTIONS.

#### I. The National Grange and the International Institute of Agriculture.

##### **Authorities :**

Proceedings of the 44th. Annual Meeting of the National Grange, Atlantic City, New Jersey, 1910.

At the Annual Meeting of the National Grange, held at Atlantic City, November 16th. to 25th., 1910, the following resolution was passed:

“ The National Grange, profoundly interested in the cause of international fraternity and co-operation, and in the commanding movement for its promotion, which is the distinguishing mark and glory of our age, feels peculiar pride and satisfaction in the fact that it is in the field of agriculture that the work of international organization has achieved one of its broadest and most beneficent results. We rejoice that the International Institute of Agriculture, the conception and in great measure the creation of one of our American fellow citizens, and a member of our own Order, has now won the confidence and support of almost all the great governments of the world, and become one of the chief servants of all agricultural peoples. Its scientific investigations and invaluable publications promise to put a stop, at no distant day, to all disastrous and demoralising speculation in agricultural products. We urge our own government to that conspicuous support of its activities which befits the greatest of agricultural nations: and we urge more generous and practical provision for the wide spread of its regular bulletins and various publications among the farmers of the United States. We recommend the appointment by the administration of

the National Grange of a special committee to promote the interests of the International Institute in this country and to make its work of greater and more constant service to our people. "

This resolution was passed on the motion of the Master of California State Grange, who had previously reported that that Grange had passed a similar resolution eulogising the work of the International Institute of Agriculture and calling upon Congress to make a liberal appropriation for its support.

## 2. Boys' Corn (1) Clubs.

A form of organisation which has been found of great value in interesting boys in agricultural matters is the "boys' corn club," the members of which grow small plots of maize on their fathers' farms and hold competitions. In its issue of October 12th., the *Texas Farm Co-operator* wrote: "The work of organising Boys' Corn Clubs goes steadily on in Texas. In many localities where clubs were formed earlier in the year the boys are carefully going over their plots to pick the best ears for a competitive exhibition... The Boys' Clubs is a good idea because it enlists the co-operation of the youth and directs their attention in lines of better farming. We do not imagine that a boy who was a prize corn-producer could grow up into a careless, shiftless farmer. In spite of himself he would always be looking to methods of improving crops and the ways of handling them... There is a good deal of philosophy in picking prize-corn, aside from the exercise of skill and knowledge it demands. A boy quickly learns that the best-looking ear is not always the one which will make him the best seed. He forms the habit of hunting for those which have the most grain in proportion to their cob, which are well filled out, or in other words are honest reliable ears... Corn Club boys will if they put into practice the principles they are now acquiring, grow into not only better farmers, but better citizens."

The same paper, in its issue of October 19th. told a story of a member of a Boys' Corn Club who, three seasons before, had been allowed an acre of land on his father's farm in which to grow maize. When the crop was measured it was found that the boy had grown 32 bushels to the acre while his father had only grown 11 to the acre. The father decided to adopt improved methods, and next year he grew 14 bushels to the acre, while the boy had increased the yield of his acre-plot to 42 bushels. Next season the father made great efforts to produce a larger crop and actually averaged 42 bushels to the acre; the boy, however, was still ahead of him, having produced 62 bushels on his acre. The *Texas Farm Co-operator* remarks that such incidents show that the inaugurating of Boys' Corn Clubs have not only been beneficial to the boys, but have had a good effect upon the older heads on the farm.



## II. — CURRENT NEWS.

### 1. Work of Federations and Central Co-operative Institutions and of the Large Agricultural Societies.

#### I. — THE GRANGES.

1. **The National Grange: Annual Meeting.** — The 44th. Annual Meeting of the National Grange was held at Atlantic City, New Jersey, November 16th. to 26th. 1910. Twenty-eight States were represented.

National Master Bachelder stated, in his address, that, with one exception, the past year had seen the greatest growth in the history of the organisation, 454 new and re-organised granges having been reported. The membership had increased by 85,000, and the total assets of the National Grange showed a net gain of 3,000 dollars. He spoke of the various subjects in regard to which action had been taken by the Grange, including:

- (1) Federal aid for road improvement;
- (2) Parcels post legislation;
- (3) A national income tax;
- (4) The consolidation of the various health bureaus of the Federal Government;
- (5) Direct primary election of Senators;
- (6) The valuation of railroad properties.

Discussing the high cost of farm products, Mr. Bachelder attributed the great discrepancy between the price paid to the farmer and the cost to the consumer to bad roads (which increase the cost of marketing crops), to excessive freight charges, and to exorbitant profits of commission houses and other middlemen. He referred to the formation of farmers' associations for the purpose of checking these abuses, and recommended that the National Grange should undertake the collection of information demonstrating the advantages of co-operation.

The Secretary of the National Grange reported that during the fiscal year which closed September 30th., 1910, the number of granges organised throughout the United States were as follows: Washington, 105; Michi-

gan, 65; Pennsylvania, 35; Ohio, 30; New York, 35; Oregon, 24; Vermont and Kansas, 14 each; Iowa, 11; Colorado and Idaho, 10 each; Maryland, 9; South Dakota, Missouri and Minnesota, 8 each; Massachusetts, 7; Maine, 6; Illinois and Wisconsin, 4 each; New Jersey, 3; California, Indiana and New Hampshire, 2 each; Connecticut, Kentucky and Rhode Island, 1 each; total, 409. During the same period 45 granges were reorganised.

The Treasurer reported that the receipts during the year (including the balance on October 1st., 1909) were 56,737 dollars and the amount expended 35,494 dollars. The total resources of the National Grange at the end of the year were 118,825 dollars.

The total amount expended in extension work was 11,267 dollars. Of this 1,187 dollars and 1,038 dollars were expended in the States of Minnesota and South Dakota respectively and dissatisfaction was expressed that in each of these States only 8 granges had been formed. A resolution was proposed "that 4,000 dollars be appropriated for extension work in the States of the North-West and that the disposition of the funds be placed in the hands of the Masters of Washington, Oregon, Idaho and California State Granges; that 800 dollars be appropriated for extension work in Virginia, to be under the direction of the Masters of Pennsylvania, West Virginia and Maryland State Granges; and that 5,000 dollars be allowed for other extension work under supervision of the National Grange Executive Committee." The proposition was, however, defeated.

Resolutions asking for changes in the basis of representation of the National Grange came respectively from Pennsylvania and Washington. One advocated a delegate for every 10,000 members in a State; the other asked for increased voting power for the delegates as now constituted (the State Master and his wife) to provide one extra vote for each 1,000 members. Both propositions were defeated.

(Summarised from the *Michigan Farmer*, December 12th. and 17th., 1910, and the *American Agriculturist*, November 26th. and December 3rd. 1910).

**2. Michigan State Grange.**—The 38th. Annual Meeting of the Michigan State Grange was held at Traverse City, commencing on December 13th., 1910. More than 400 delegates attended. State Master Hull congratulated the Grange at large on the successful culmination of its long-sustained efforts on behalf of postal savings banks and the Michigan Grange on the prospect of the early inauguration of a practical system of Grange life insurance, after a well-considered plan devised by the Executive Committee in accordance with instructions from the State Grange of 1909.

It was reported that, during the year ended December 1st., 57 subordinate granges had been organised and 5 re-organised. The total number of granges in the State was 850 and the total number of members paying dues for the year was 47,588. The receipts included 6,203 dollars from co-operative percentages (commissions on purchases, etc.) less expenses of the Co-operative Department. The expenditure included an appropriation of 2,000 dollars to the Grange Life Insurance Company.

(Summarised from the *Michigan Farmer*, December 24th., 1910).

**3. Pennsylvania State Grange.** — Nearly 2,000 delegates from subordinate granges were present at the Annual Meeting of the Pennsylvania State Grange, which was held at Butler, December 13th. to 17th., 1910. Among the recommendations from various committees which were adopted by the meeting, were the following :

(1) The teaching of agriculture in rural schools and training courses for teachers of agriculture in the State normal schools ;

(2) A larger appropriation for the Pennsylvania Agricultural College, and especially for dairy husbandry ;

(3) Feeding experiments under the direction of the College ;

(4) The formation of cow-testing associations ;

(5) The formation of co-operative corn-growers' associations under the direction of the Experiment Station ;

(6) Improvement of local roads with local stone ;

(7) Valuation of railroads to provide a basis for traffic rates ;

(8) Efforts to conserve the natural resources of the state ;

(9) Proportional representation in the National Grange.

The receipts for the year were reported to have been 19,110 dollars and the expenditure 15,867 dollars. The total funds amounted to 24,201 dollars.

(Summarised from the *Ohio Farmer*, December 31st., 1910).

**4. Ohio State Grange.** — At Zanesville, December 13th. to 16th., 1910 the Annual Meeting of the Ohio State Grange was held, more than 1,000 delegates being present. State Master Laylin stated that (including re-organised granges) 43 granges had been added during the year and 4,799 new members had joined the Order. A number of new Grange Halls had been built and more Grange Fairs had been held than in any previous year.

It was reported that the total receipts during the year were 13,377 dollars and the total expenditure was 11,430 dollars.

The co-operative purchases through the Grange were reported to have amounted to 50,000 dollars during the year, including purchase of fertilisers to the amount of 25,433 dollars, on which there had been a saving to the members of fully 1,250 dollars.

During the meetings, a lecturers' conference was held, at which, amongst other subjects, "Efficiency of the Lecturer" and "Mirth and Music in the Grange" were discussed. The opener of the latter discussion urged the provision of more music and recreation as a means of drawing young people into the Order.

The Committee on Dormant Granges presented a report in which the following causes of dormancy were enumerated:

1. The wrong understanding of the principles of the Order;
2. Want of publicity;
3. Irregular attendance;
4. Inefficiency of officers;
5. Selfishness of members;
6. Want of the proper presentation of the ritualistic work.

Resolutions were passed requiring that all money in excess of 25,000 dollars in the Grange treasury should be made available for extension work, and that political candidates should be interrogated by the Grange.

(Summarised from the *Ohio Farmer*, December 24th., 1910).

## II. - OTHER CENTRAL ASSOCIATIONS.

1. **The National Mohair Growers' Association.** - The mohair-growers of America have formed themselves into an Association, known as the National Mohair Growers' Association, for the co-operative sale of mohair. The first Annual Meeting of this Association was held at El Paso, Texas, on November 1st.

The Association has a big warehouse at Boston and agents in charge who sell the annual clip to the manufacturers who make up mohair goods. Not a grower makes any sales for himself. Every grower clips his wool, grades it, bags it and ships it to Boston. All the mohair is sold at the same time. The little grower fares as well as the big one.

The mohair-growers are probably the best-organised producers in the United States. One of the reasons is that they are not numerous. There are fewer than 500 in the States and these 500, though scattered from Oregon to Texas, have not found it difficult to form an association and stick together. No grower has as yet sold any wool outside the association. The result has been that the growers have realised much better prices for their clip.

Each member's account is kept in accordance with the weights furnished by the railways. When a grower sends a shipment of wool to the Boston warehouse he sends his bill of lading from the railway. On the basis of the weight shown in the bill of lading the member is paid, but as most of the wool comes from dry climates, it absorbs moisture and becomes heavier when stored in the Boston warehouse. The amount gained in the sales by the increased weight is not paid to the member, but is retained by the association to cover working expenses and to provide funds to make advances to the members on the security of their wool before it has been sold. The receipts from the sale of different classes of wool are kept separate and the dividends made amongst the owners of the wool of each class.

(Summarised from the *Texas Farm Cooperator*, October 26th., 1910, and *Colman's Rural World*, December 21st., 1910).

2. **The Percheron Society of America.** — The Percheron Society of America is an important breed society, which contains nearly 3,000 members, including 95 per cent of the Percheron breeders in America. It endeavours to keep pure the Percheron breed of horses and, with that object, it does not now accept for record any important horses until they have been inspected and checked by an authorised representative of the Society. Such inspection includes, at the outset, a careful comparison of the horses and their French certificates of breeding, for the purpose of definitely establishing the identity of the horses as described in the French certificates. This is further checked by requiring all importers to forward the official invoice at the time the certificates are sent in.

So many requests were made for an opportunity to re-record Percheron mares that had previously been recorded in one of the other recognised books, that the Board of Directors decided to permit members of the Society to record such animals at 2 dollars per head for American-bred mares and 5 dollars per head for imported mares. This permission only held good up to January 1st., 1911.

(Summarised from the *North Dakota Farmer*, October 15th., 1910, and the *Kansas Farmer*, December 3rd., 1910).

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3. **Michigan State Association of Farmers' Clubs.** — In the State of Michigan there is a large number of farmers' clubs and these clubs have formed a federation under the name of the Michigan State Association of Farmers' Clubs. The 18th, Annual Meeting of Association was held at Lansing,

December 6th. and 7th., 1910. Papers on the following subjects were read and discussed: - " Alfalfa ", " Agricultural Education ", " The Farmer's Wife's Share ", " Our State Institutions and the Farmer's Interest in Them ", " Compulsory Spraying ", " The Parcel Post ", and " The Need of, and the Benefits to be derived from, the State Association of Farmers' Clubs. " A number of resolutions, largely of a semi-political character, were passed.

An interesting feature of the session was a Conference of Local Club Workers. The principal problem discussed was that of interesting the young people of the rural communities in the work of the Clubs. At this conference, representatives of different Clubs explained the practice of their Club in regard to holding meetings. Thus, one representative stated that the membership of his club was limited to 20 families, and the meetings were held in rotation at the homes of the members. Another said his club held nine meetings during the year, an annual picnic in August, a temperance meeting (generally in March) and a Club fair in the autumn; the meetings were held at the members' homes and the hostess furnished the refreshments. Another Club, it was stated, held 11 regular meetings each year and a picnic in July and an annual temperance meeting; those who entertained the Club in turn furnished refreshments, and the meetings were so planned that the members who had large houses and barns entertained the Club in the winter season, while those who had less accommodation entertained the Club in the summer, when the porches and lawns could be utilised as well as the houses.

(Summarised from the *Michigan Farmer*, December 17th. and 24th., 1910).

**4. The International Live-Stock Exposition.** — The 11th. International Live-Stock Exposition, which is organised by one of the principal live-stock societies in the United States, was held at Chicago from November 26th. to December 3rd., 1910. It was the largest fat-stock show ever held in America. The entry list of fat and breeding animals (exclusive of the car-lots) contained 4,355 entries, an increase of 26 per cent. over the previous year. The entries included 1,194 cattle, 1,191 horses, 1,163 sheep and 807 hogs. About 7,000 cattle, hogs and sheep were entered in the car-lot show. A feature of the Exposition was a Students' Judging Contest between teams from nine Agricultural Colleges. During the Exposition the Annual Meetings of a number of Breeders' Associations were held.

(Summarised from the *Farmers' Guide*, December 10th. and 17th., and the *Dakota Farmer*, December 15th., 1910).

## 2. Miscellaneous Information.

1. **The Social Work of the Grange.** — In the *New England Magazine* of April, 1910, there appeared an article entitled "The Grange, its Work and Ideals." The article gave a sketch of the origin and history of the Grange and quoted at length a charming statement of the working principles given in a Report of the United States Department of Agriculture, 1882-83. From this we take some extracts:

"Beginning as the humble *Labourer*, who clears the forest or digs the ditch, or prunes the vines, or turns the sod, a male applicant for membership is instructed that all honest labour is honourable... Advancing one degree, he becomes a *Cultivator*, when his moral nature is educated and refined by repeated assurances that he who intelligently cultivates the growing plant is brought into close companionship with his Creator... Nor do the lessons of encouragement cease when the *Harvester* is warned that he must reap for the mind as well as for the body... But he who harvests must not rest content until he has by lawful means attained to some ownership of the products of his own toil, and thus become a *Husbandman*, who, while he was passing practically through the hardships of a farmer's life, and has had them emblematically rivetted upon his moral nature, has learned to look with careful solicitude upon children and encouraged in them a love of rural life by making its labours cheerful."

In like manner the account shows how a woman who becomes a member of the Order enters as a *Maid*, and passes through the degrees of *Shepherdess*, *Gleaner* and *Matron*, each degree being associated with its own special moral lesson.

The writer of the article dwells on the social aspect of the work of the Grange. "Organised primarily for material benefits", he says, "the old idea of the Grange was good as far as it went; but in these later years there has been a wonderful awakening to the fact that the greatest products of the farm are not merely the bushels of corn. Growing manhood and womanhood are the farm's greatest products; hence, in many towns, we find a day set apart for juvenile feasts and frolics and known as children's day." But, he declares, it is not the children's days, nor the picnics, which constitute the real social work of the order; it is the cordial grasp of the hand at every meeting.

A vivid impression of the influence of Grange in the social life of rural America may be gained from a short account by Jennie Buell, in the *Michigan Farmer*, of December 3rd., 1910, of her "First Time at a State Grange." "I remember," she wrote, "the curiosity that possessed me

from the moment that I boarded the train and with which I inspected every new-comer into our car. How interested I was when I recognised a delegate, and with what delight all through the week I watched those who had met in previous years renew their acquaintance. How well they seemed to know one another. What cheery greetings. What familiarity they expressed with one another's home families and special lines of farming, preference in household duties, fondness for flowers, pets or fancy work. How everybody enjoyed the impromptu entertainments in the hotel corridors, and what story-telling went on amid peals of laughter and merry jesting. What life-long friendships I know to have been begun there; what correspondences, kept up for years, date from that meeting. What new meanings the various Grange offices took on for me, as I saw their occupants carrying out their respective duties in such perfection as I had never seen in the somewhat sleepy little Grange of which I was a member. How the emblems and the representative nature of the station decorations and of the entire ritual language impressed me with its wonderful meanings. What a sight it was to see hundreds of men counselling and acting together, each supplementing and completing the work of the other."

**2. Corn-growers' (1) Associations.** - At the Annual Meeting of the Pennsylvania State Grange, as we have noted elsewhere, a resolution was passed recommending the formation of "Co-operative corn growers' associations" under the direction of the Experiment Station. The Intercounty Corn Association of the Granges in Chester and Delaware County was named in the resolution as a model to be followed. This association, which held its first exhibition in 1910, proposes.

- (1) To keep the average yield for 10 years;
- (2) To report at the annual meeting the average yield in each county.
- (3) To test all seed and plant only seed of strong germinative characteristics;
- (4) To make ear-row tests;
- (5) Also deep and shallow plot tests;
- (6) To record date of planting and harvest;
- (7) To record best yielding varieties, best varieties for silo, etc.

Each local branch keeps all its records and reports to the main association.

• (Summarised from the *Ohio Farmer*, December 1st., 1910).

(1) Growers of Indian corn (maize).



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3. **A Farmers' Meat Club.** — Near Hancock, Minnesota, twenty farmers have organised themselves into a " Meat Club ", through which they are enabled to have fresh meat at all seasons, in hot and cold weather. On Friday of each week a beef is killed and cut up into twenty pieces, each piece being numbered. Each person takes a different number each week, so that, at the end of 20 weeks, each one has had a whole beef. The beeves are furnished by members of the club, and the meat is sold at from five to eleven cents per pound, the owner retaining the hide and paying two dollars for the killing and cutting. The killing and delivering is all done at a central point in the neighbourhood. The beef is hung up in a cool cellar on Friday night and cut up for delivery on Saturday morning.

(From *Colman's Rural World*, November 23rd., 1910).

# CO-OPERATION AND ASSOCIATION

## FRANCE.

### I. — CURRENT QUESTIONS.

#### 1. The Agricultural Societies and the Agricultural Estimates.

##### Sources:

M. FERNAND DAVID'S Report on the Estimates for the Department of Agriculture for 1911. *Official Journal*, 13th. December, 1910. Parliam. Docs.: Chamber of Deputies, Session 1910, Annexure no. 378.

Discussion on the Estimates for the Department of Agriculture, *Official Journal*, no. of the 9th. December, 1910, and following numbers.

The Discussion on the Estimates for the Agricultural Department at the Chamber of Deputies from the 5th to the 24th December of last year was of great importance, both on account of the exceptional range of the debates and for the interesting questions dealt with.

In a long Report, drawn up in the name of the Committee on the Estimates, M. Fernand David presented the Chamber with a sketch of the work up to the present accomplished by the Ministry of Agriculture, as well as of the great problems it has been called on to solve. Since its creation by Gambetta, in 1881, up to the present day, the sphere of action of this Ministry has been rapidly extended; Agriculture which is always the principal source of the wealth of France — its Agricultural production may be valued at 20,000,000,000 francs — has greatly developed in technique, and it is becoming more and more of an industry; agricultural association has extended wonderfully, manifesting itself under different and mutually complementary forms; agricultural syndicates, agricultural mutual credit banks, co-operative societies for production and for

sale, etc (1). The creation of a complex system of agricultural credit based on mutual lines, and to a large extent maintained by the State, the Agricultural legislation of the last five years (2), tending to complete the organization of this credit and to render it accessible, both to private parties and to associations, whether for long or short periods, and at the same time to encourage the formation and preservation of small property (homesteads), all these facts and all these measures dictated by the present agricultural policy, have caused the creation of new and important Government services, and, at the same time, given rise to new needs.

"If the Republic has already been able to provide a certain number of essential laws for agriculture., - writes M. Fernand David - "there still remains for it an entire work of legislation, both important and necessary". This legislation, radiating, as it were from a centre, from that most important problem, now agitating agricultural France, the abandonment of the country districts must complete the work already undertaken, intended for the creation of better economic and social conditions for the rural classes, and their defence against the numerous calamities with which they are continually threatened.

Thus, we find today, placed among the most important subjects to be dealt with, that which has led to the organization of a complete system of insurance and reinsurance, defending agriculture against the risks of the profession. Further, the necessity is felt for reforming the recent laws on long agricultural credit and harmonizing them with those on small property and unseizable family property, so as to render their application easier; demand is made for a special law on co-operative societies, against enterprises making an abusive use of this title for purposes of speculation; for the reform of the law upon syndicates, so as to give new life to this germ cell of agricultural co-operation; the reform of the law as to the repression of frauds, and the delimitation of the wine-making zones; measures against the superphosphate manufacturers' trusts; the reorganization of agricultural education; provisions in favour of reforestation; the organization of agricultural meteorology.

All these important problems, amply treated in M. David's Report, formed the subject of long discussions in the Chamber of Deputies, during the discussion on the Agricultural Estimates; we shall limit ourselves here to giving a brief glance at the questions directly relating to the agricultural associations.

(1) See Bulletin, no. III, p. 204.

(2) See Bulletin, no. III, p. 276 and 320.

**§ 1. *The Agricultural Mutual Insurance Societies and the Central Reinsurance Society.***

We saw in the preceding Bulletin that the Ruau Bill for the foundation of a Central Agricultural Mutual Reinsurance Society (1) again presented to the Chamber on the opening of the present Parliament, has excited the most lively agitation in the French agricultural world, and that this latter is divided, with reference to the matter, into two camps: in one we find all those who desire that the work of reinsurance be kept within the sphere of the free and professional mutual societies and who consider that direct State intervention is not only useless but dangerous for the future of the mutual societies themselves; in the other, those who, considering the reinsurance administered by the mutual societies to be insufficient and full of disadvantages and dangers for the insured, see no other system capable of providing the farmers with a complete and substantial insurance machinery, than the creation of a superior State organization, and, in consequence, call for the prompt adoption of the Ruau bill.

These two tendencies, which caused a sharp conflict at the Rouen Congress (2), which resulted in the triumph of the second party, were again evidenced in the Chamber during the recent discussion on the agricultural Estimates.

M. F. David, who presented the report on the Estimates, in the sitting of the 15th. December proposed the following resolution: "The Chamber invites the Government to organize the mutual insurance of farmers against all agricultural risks, with as little delay as possible".

(1) Bulletin no. III, 31st December, 1910, page 237, etc. According to the Bill, presented by M. Ruau, on the 28th December, 1909, the object of the Central Society is to reinsure, within the limits of its resources, a portion of the risks of the Mutual Cattle Reinsurance Societies, the rules of which have been approved by the Minister of Agriculture. It will be administered by the Deposit and Consignment office. The operations of the Society may be extended to other agricultural risks when the resources disposable permit. Its resources consist of the contributions of the affiliated reinsurance offices, of a subvention of 300,000 francs, paid annually by the State and deducted from the Credits on the Agricultural Estimates for subventions to Agricultural Mutual Insurance and Reinsurance Societies, and, finally, of the interest of an endowment fund formed for the benefit of the Central Society, by a special subvention of 1,800,000 frs. voted for this purpose by the Committee for the distribution of funds deriving from games of chance in clubs and casinos, according to the law of the 15th June, 1907.

For the progress made by the Agricultural Mutual Insurance Societies, see the same Bulletin, page 232.

(2) *Idem*, p. 238

M. Raynaud, Minister of Agriculture, declared the Government's acceptance of this proposal.

The question of principle was then discussed, that is to say, the advisability of direct State intervention in agricultural insurance, not only, let it be well observed, in the case of cattle insurance, as the Ruau Bill proposed, but in that of insurance for all agricultural risks. Agricultural Insurance must be made complete, wrote M. F. David in his Report: cattle insurance (1) is singularly complex; to limit ourselves to instituting a Central Society for cattle insurance would be to play with the difficulty and to run the chance of failure. The addition of fire insurance to cattle insurance does not only seem to be desirable as an element of prosperity for the office but a necessity in the interest of agriculture. Fire, indeed, is a far more important risk for the farmer than any other, since it may destroy his entire property, without considering the danger of death to which it exposes human beings. The insurance companies that seek profits have, besides, as far as possible, avoided agricultural fire insurance, preferring to address themselves to the inhabitants of towns. The farmers were left to be speculated upon by certain fraudulent companies that took enormous premiums, but in case of disasters never paid compensations, because they had no real capital, or because their policies contained so many clauses entailing forfeiture of claim, that the insured found himself powerless to exact payment. These circumstances explain the rapid progress made by the mutual fire insurance societies (2).

But the form of mutual society, adds M. David, which it seems ought to be still more encouraged, is that of insurance against hail, because it may be said not to exist in France (3). The capitalist companies that occupy themselves with this insurance are far from suffering losses (4); it is then possible for the farmers to organize to protect themselves against the attacks of this terrible scourge. The progress of this form of insurance will be much facilitated by the re-organization of the service of agricultural meteorology, the great advantages of which are brought into relief in a

(1) The number of cattle insurance societies on the 30th September, 1910 was 8,428; that of cattle reinsurance societies, 58.

(2) Their number was on the 30th September, 1910, 2,187; that of the fire reinsurance societies, 26.

(3) There existed at the same date (30th September, 1910) 25 mutual societies of insurance against hail.

(4) It appears from a table published by the *Argus* (3rd August, 1910), that, in 1909, four companies limited by shares - l'Abeille ancienne (*Old Bee*), l'Abeille nouvelle (*New Bee*), la Confiance (*Trust*), and la Continentale - having altogether a capital in shares of 15,500,000 frs; insured an amount of 377,270,606 frs, received 5,320,490 frs in premiums, paid 2,610,574 for compensations for losses, and for business expenses, and realised 1,502,924 frs profit. Their reserve fund at the end of 1909, was 6,032,07 frs.

special chapter of M. F. David's Report. The day on which this service is reasonably organized, agricultural insurance will have a basis on which to establish in a more practical fashion, the probability of risks due to atmospheric disturbances, such as hail, frost, fogs, etc.

There is still the insurance against agricultural accidents. The drafter of the Report considers as inopportune and insufficient the bill before the Chamber, having for its object the extension to farm labour of the provisions of the law of 9th April, 1898, on accidents in labour: by this bill, protection against a possible risk would be indeed given to the labourer who is not a proprietor, but at the same time the labourer in possession of land (in France the peasant proprietors number 5,000,000) would be subjected to a new risk he does not support as yet, but to which he will become liable, while no thought has been taken to give him the means to defend himself against it by insurance.

It is not enough, then, to create a liability for the risk incurred by agricultural labourers, but we must also think at the same time of protecting the agriculturist, be he landowner or mere paid labourer, from the consequences of the accident. It seems necessary then, adds M. F. David, that agricultural mutual accident insurance be instituted without delay; now, for the organization of mutual societies, capable of bearing the cost not only of temporary incapacity for work, but also of permanent incapacity, and of compensations in the case of death, a strong and enlightened management is required. The Central Office under discussion could provide for it.

Such are the reasons for which it has been thought that the projected State reinsurance should be extended to all agricultural risks.

M. David called attention further to the fact that the farmers have long deplored the unproductive scattering of large sums entered on the estimates for subventions and subsidies. In the normal credits (4,600,000 frs) entered on the agricultural estimates for assistance to farmers and to help them to bear the calamities that assail them, 1,200,000 frs (chap. 10), go to subventions to small agricultural mutual societies; 1,600,000 frs (chap. 36), go to owners of animals suffering from contagious disease; 1,840,000 frs (chap. 11) are intended to be distributed as help to uninsured farmers, at the rate of 5 % of the loss sustained. The chapter dealing with assistance (chap. 11) — says the Report — has been long the object of the severest criticism: it is said that the State assistance, dispersed in this way, is reduced to fractions, and the farmers do not receive appreciable relief. On the other hand, it is not possible for the State to suppress the assistance to unfortunate farmers till it has found a way of putting at their disposal, everywhere, insurance societies capable of protecting them against the dangers that threaten them. It was then time that the State decided to fulfil this elementary duty and to organize insurance against

every agricultural risk, completely and on a solid basis. The Committee on the Estimates and the Rouen Congress came to this conclusion almost at one and the same time.

The Report traces the general outline and sets forth the advantages of a central reinsurance office to federate the different insurance or reinsurance offices under conditions to be determined later.

The essential principle for a good organization of insurance is that the number of citizens associated, and called on to protect themselves by uniting their contributions, be large, so that while these contributions remain very low, the guarantee may nevertheless be complete.

How to proceed with the constitution of this group? M. F. David is no favourer of the system which would make the State the direct insurer; the State is too far from the insured to escape frauds, and, in the second place, individual initiative and personal effort must not be suppressed. The State must excite this initiative, it must give direction to its efforts and organize them within a limited sphere; thus the mutual idea will be generated and develop with every advantage. But the defects of the small organization are revealed at once in its very advantages; it is too restricted, the risks are not sufficiently dispersed, the possible tax on each of the insured is too large, and, to meet it, if it is necessary, far too large a premium would be required. The way of remedying these disadvantages is shown in the sequel: to unite the small mutual society with the greatest possible number of similar organizations, to leave to each of the mutual societies thus federated the portion of risks that it seems it can without imprudence retain, to hand over to the federation the surplus of the risks and premiums. The sphere of action of the mutual societies on which the federation is based, should be, by preference, the commune for fire and cattle insurance, the canton or the arrondissement for insurance against hail.

The department should be the sphere of a reinsurance society of the first degree, since the Reinsurance Society so formed, being little removed from the local mutual societies, could play the part of a supervising and controlling body, and serve, at need, as counsellor to the societies associated under its protection.

In the third degree, the Central Society: it appears as the great clearance office and regulator ensuring to the small mutual societies that invincible security that force of numbers furnishes in the matter of insurance. At the same time, it will reinsure in the second degree, receiving from the Departmental Societies a portion of the premiums and risks they have themselves received from the local societies, it will occupy itself with the study of the tariffs of the different insurance societies, and the incidence of their application: it will, in a word, ensure the harmonious working of the entire organization.

It is on the basis of these principles, — adds the Report, — that the two Central Mutual Reinsurance Societies, in connection with the French Farmers' Society, — with their headquarters in Rue Athènes, — have been constituted, one for fire insurance and the other for cattle insurance. The latter, founded in 1908, at times works as an office of reinsurance in the second degree for the regional cattle reinsurance societies affiliated to it, sometimes reinsuring in the first degree for regions where there are no regional offices. A very limited number of societies are affiliated to this federation. According to the organizers, it is very difficult to establish the third degree of insurance, so much required in this branch, on account of the want of precise information as to losses due to cases of contagious disease.

The Central Fire Reinsurance Society has created a system much more complete. Instituted in 1906, it associates together fifteen Regional Societies covering the whole extent of France, almost all the local mutual fire insurance societies are affiliated to it. The results obtained, — according to M. de Vogüé's Report to the Brussels Congress, — seemed quite encouraging. On the 31st December, 1909, out of 1,000 societies, 1,170 distributed in 13 regional societies, were associated in the Central Society: the value insured amounted to 235,000,000 francs with 19,000 policies and 246,000 frs annual premiums. But in spite of its prosperity, adds M. F. David, this society has not yet been able to dispense with assistance from outside reinsurers.

These reinsurers take a varying fraction of the risks reinsured in the first degree by the regional offices and liberate the Central Society and the entire organization of that amount. At the start, the distribution of contributions and of risks was as follows: two tenths were retained by the local societies to the amount of a maximum of 3,000 frs per risk; two tenths by the regional society, a tenth by the Central Society, the surplus, or five tenths, was reinsured by outside reinsurers. Since then, as the organization has gained in strength, certain local societies keep three tenths and more, and the regional insurance societies have from four to six tenths of which they give the half to the Central Society: only the surplus goes to outside reinsurers.

In spite of this, the amounts paid by agricultural mutual insurance to the professional reinsurers are still, at the present date, very considerable.

In fact, according to the Bulletin of the Central Union of Farmers' Syndicates, of the 1st August, 1910, the bills and acceptances of the Central Society amounted to 234,326,751 the risk being divided as follows:

Local Societies . . . . .	34,253,033.76
Regional . . . . .	40,921,532.22
Central Society . . . . .	38,869,059.22
Mutual Societies alone . . . . .	120,043,624.20
Outside Reinsurers. . . . .	114,283,126.80



The organization contemplated by the favourers of State Reinsurance is based upon the same principles as those applied by the two Societies deriving from the Farmers' Society. It is strange, to find, however, adds M. David, that the very organizers of these two institutions regard the Central Society as a dangerous State organization. The same accusation was made against the Farmers' Society, but it has been able to prove that mutual insurance was the negation of state management. Can it be maintained, he asks, that the character of mutual insurance will change, if its scattered members are united in a central body, because this body operates at the Deposit and Consignment office?

State intervention besides, says he, is not so ill appreciated by the men who are at the head of the insurance organization founded by the Farmers' Society; without the law of 1900 (1) which created a real privilege in favour of the Mutual societies, they would not have been able to accomplish the progress they are making, and it would have been impossible for them to defend themselves against the competition of the great companies. On the other hand, they do not hesitate to appeal to the state funds in behalf of each of the small organizations they create, for the subventions placed on the Estimates for the constitution or reconstitution of the nucleus of their reserve funds.

It is useless to create a new Central Society, say the opponents. But the organization issuing from the Farmers' Society - objects M. David - has been able to conquer for itself almost a real monopoly in the matter of agricultural insurance. We must then give those refused admittance by it the means to unite for defence against risks. On the other hand, the work of this organization is feeble and insufficient in comparison with the pecuniary resources, the privilege and subventions given it by the State: it has instituted fire insurance on a very limited scale, it has done almost nothing for cattle insurance, nothing for insurance against hail, nothing in the matter of accidents in labour. The moment has then come, he adds, to give agricultural insurance the definite framework it has need of, if we wish it to protect all agriculturists from all the ills that threaten them.

The resolution proposed by M. David again affirming the urgency for the creation of such an organization, provoked a long and animated discussion in the Chamber. It was M. Joseph Delachenal, the manager of the South East Regional Mutual Fire Insurance Society, who opposed it with most ardour. First of all, he defended mutual fire insurance against the graver accusations brought against it: that is to say, that the small local mutual societies are not able to pay the amount of losses incurred, when these losses take place in the first years of their working. This objec-

(1) Bulletin, No III, 31st Dec. 1910, p. 235.

tion, said he, is very serious; that is why the small local mutual societies associated and federated together have organized among themselves societies for reinsurance. The Central Mutual Reinsurance Society at first, for greater security, reinsured  $\frac{5}{10}$  of its risks in the large mutual societies; but, little by little, this organization has gained in strength. The small local, regional and central societies year by year increase the percentage of the risks they retain, and it may be foreseen that in a very short number of years, the Central Society will be able completely to dispense with the help of the large mutual companies. M. David recognises the value of this organization, but, at the same time, he proposes its suppression. Indeed, when the State Central Society is established, the local mutual societies will unite with the State Mutual Society, attracted by the large endowments they will receive out of the agricultural vote.

According to M. Delachenal the Central Fire Insurance Society would be both useless and dangerous. The 2,000 mutual fire insurance societies offer the greatest security, thanks to the division of the risks with the insuring societies of the 2nd and 3rd degree; the foundation of a special organism will necessitate new functionaries, the expenses will absorb a large part of the funds meant for the subvention of the small mutual societies. The Central Fire Insurance Society of Rue Athènes, is not, as has been said, a close organization; it has only refused a few local mutual societies, that had been organized for sectarian purposes. The South East Regional Society, the most important of the Regional Societies, has never refused any request for affiliation.

The State Society, said M. Delachenal, will cause the complete ruin of a source of energy productive to-day of the best results. At present, the mutual societies are not State guaranteed, they only receive subventions from the State; but the State has no responsibility in the regulation of the losses. The Mutual Societies know that for compensation for fires they must count only upon their own resources. Thence derive quite a multitude of advantages: selection of risks on the part of the directors, precautions taken by the insured against fire. The Mutual Societies, finally, are managed and administered gratuitously: an enormous advantage, when one thinks that the general expenses and commissions of the large fire insurance companies amount to about 35 % of the premiums.

The premiums paid by the insured are very inferior to those paid in the insurance companies; however, liabilities are always discharged in full, and every year the regional mutual societies distribute considerable sums as refunds. Will you find these manifold advantages in the State Central Society? demanded the speaker. The State guaranteeing almost all losses, the supervision, the prudence, the abnegation of the administrators will be far inferior; the number of the fires will increase, the administrators of the Mutual Societies will ask to be paid. The management of the Central

Societies will call for very considerable expenditure, in excess of the amounts proposed: it will then be necessary to set apart new sums, and thus to diminish the subventions in favour of the small mutual societies.

M. Delachenal concluded by saying that State intervention in the form of subventions, is useful and necessary, but the State should not guarantee nor assume responsibility and should not substitute itself for private enterprise.

M. David answered the arguments of his opponent, first of all remarking that the charge made against the Central Society of being costly and burdensome is unfounded. He called to mind that the amount of 1,800,000 frs, from the games of chance, intended for the nucleus of a State Reinsurance Fund has been disposable and lying idle in the Deposit and Consignment Office since 1907; there is, besides, the entire sum placed on the Estimates for assistance (1,840,000 frs), which is dispersed in fractional credits and for years past has excited the protests of the farmers.

But, further, if it is known how to organize agricultural insurance, there will be no need for appeal to the Central Reinsurance Society; the original subscriptions will suffice.

As to the administrators they cannot ask to be paid, simply because the law forbids them. So also, the other dangers announced by the opposition, the diminution of control over the insurance, of supervision and of prudence in averting disasters, are unjustified; the Central Society changes nothing in the fundamental organization. Reinsurance, rather, will be tomorrow something scientific and complete. It will include all risks, even those of accidents in labour, death and hail, against which private initiative has never been successful and cannot defend itself.

The long and ardent discussion on this great problem now arresting the attention of the whole French agricultural world, ended in the approbation of M. David's resolution which had 419 votes in its favour and 114 against it.

The agitation, however, still continues: several organs of influential agricultural associations continue to publish very strong articles, with the intention of provoking a current of ideas hostile to the bill, the adoption of which by Parliament, however, it does not appear will be long delayed.

## § 2. *Agricultural Mutual Credit Societies.*

In his Report on the Agricultural Estimates, M. Fernand David, after having shown the successful progress made in recent years by Agricultural Mutual Credit remarks that the legislation (1) regulating it requires improvement and completion. Thus, for example, the laws on short in-

(1) See Bulletin, no. III, 31st December, 1910, p. 219 et seqq.

dividual credit, and on credits to co-operative societies, for the purposes of the grant of the state advances, consider the amount of the capital *paid up*, whether by the regional banks, or by the co-operative societies benefiting. Now, the law on long individual credit mentions that the special advances to the regional banks may amount to twice the capital of the bank. It is then desirable, — he writes in the Report, — that a single basis for distribution be established, namely, that of the capital of the institution.

It seems also a matter of urgency to modify art. 5 of the law of 5<sup>th</sup> November, 1894, on the local mutual agricultural credit banks and to specify that, in case of dissolution of the bank, the shares shall never be repaid at a rate higher than that of issue.

M. Fernand David desires, further, to see the agricultural credit banks utilised more and more as savings banks, so that the savings of the farmers may be of service to agriculture.

In the discussions in the Chamber of Deputies on the subject of chapter 3 of the Agricultural Estimates, M. Samalens, on account of some irregularities occurring in a local bank of the Department of Gers, called for a greater vigilance on the part of the regional banks, to which the decree of the 11<sup>th</sup> April, 1905, entrusts the charge of exercising a regular control and supervision over the affiliated banks, and more diligent and severer proceedings on the part of the inspectors of mutual credit in controlling the just measure of demand for advances and the right use of the same. A resolution to this end was presented by M. Samalens. In consequence of the favourable declarations of the Minister of Agriculture, who said he was ready to submit a bill to the Agricultural Committee, the resolution was adopted.

M. Albert Thomas presented a certain number of criticisms upon the working of the administrative service of agricultural credit: recalling a grave scandal which recently took place in a regional credit bank, he demanded that the necessary measures be taken that the inspection of agricultural credit may proceed in regular manner. He called to mind, that in conformity with art. 3 of the law of 1890, the advances granted to regional banks cannot be made for a period longer than five years, that they may be renewed and become at once repayable in case of violation of the rules or modifications of these rules diminishing the guarantee of repayment. The speaker deplored that, in the last ten years, the number of repayments made under these conditions had been very rare.

The service of agricultural credit, added M. Thomas, is somewhat carried away, somewhat tempted by the millions it has to distribute, it is induced to exaggerate its action a little. "I well understand, said he, the inducement to indulgence that may be felt in the service, when a farmer asks such or such a local bank for the renewal of a discounted bill, when the local bank in its turn addresses a request for renewal to the regional

bank, which will be led at last to make similar demands for these advances, to the State, that is, to the Commission for distribution of the advances. However this spirit must not develop too far". The speaker recognized that recently some uneasiness had been manifested and that the service is determined to take precautions in the matter of renewals; but he would like the service to take account of the activity of the banks, rather than of their paid up capital, so that agricultural credit may develop really in a spirit of credit, far from any idea of politics.

The idea must be propagated in the agricultural world that these are chiefly advances that are made to the banks, and that the State advances must not be considered as subventions not to be claimed again, but as temporary assistance.

The observations of M. Thomas were approved by the presenter of the Report, and by the Minister himself; the latter gave his assurance that the instructions given by the Government to the agricultural credit service correspond in principle to the recommendations of the speaker.

### § 3. *Agricultural Co-operative Societies* (1).

In the report referred to above, M. F. David dealt with the action of the State in favour of agricultural co-operation, and set forth the progress of this latter and the improvements that might be made in the legislation dealing with it.

Agricultural co-operation, he writes in the report, is one of the best means for remedying agricultural crises, developing the prosperity of agriculture and extending the sentiment of solidarity among the farmers.

This is why the Government specially encourages this form of association; it does so in two ways. by subventions in proportion to the work effected and the buildings constructed, accorded by the management of the fund for agricultural improvements, and by loans at long date granted through the medium of the Regional Banks, in terms of the law of the 29th December, 1906 (2). In the last four years, 128 co-operative societies have already received advances to a total amount of 4,500,000 frs.

Leaving out of consideration, the *fruitières* and the co-operative butter factories, which, as we observe also in other countries, are amongst the oldest rural associations, it is, we find, quite in these last years, that co-operative societies for sale, transformation and production, have especially developed in France. After mentioning a few attempts at organization of

(1) In France, by agricultural co-operative societies, those of production, transformation and sale, are commonly understood. For the progress of these societies, see Bulletin, no III, p. 228 et seqq, and p. 303 et seqq

(2) See Bulletin, no III, 31st December, 1910, p. 226.

collective sale of cereals and at foundation of co-operative mills (1), the report notes the progress of the co-operative societies for the sale of fruit, vegetables and early produce, and the co-operative wine-societies in the South: co-operative oil-societies in the region of olive cultivation in the South East, distilleries for converting resin into essence of turpentine and colophony in the Landes; starch factories in the Vosges; dairies in the Charentes and Poitou; co-operative societies for the sale of eggs in the Deux Sèvres where the organization of a co-operative cheese factory is also under discussion.

The Report mentions, further, attempts at collective farming, drawing the attention of the Chamber to this form of agricultural co-operation which has had great success in Italy (2) and in Roumania (3). The writer of the Report thinks it will be easy to acclimatize this form of association in France and it will render undoubted service in the regions of large property in the Centre. Perhaps in this way a remedy might be brought to the crisis in *métairie* recently reported to the Chamber.

Co-operation, then, is extending itself more and more in French agriculture; but, to ensure its tranquil development, it is before all things necessary to obtain an organic law upon co-operation long since demanded by the co-operators and recently again in the Brussels, Montpellier and Rouen Congresses.

It is urgent, meanwhile to take special measures, to check the advance of the false co-operative societies of which both the true co-operative societies and the conscientious merchants, at the same time, complain.

In another order of ideas it would be also interesting, in accordance with the desire expressed at the Rouen Congress, to favour, as has been done in the case of the workmen's co-operative societies, the participation of the agricultural co-operative societies at the auctions and markets held in the name of the State, the departments, the communes and the public benevolent institutions.

M. Fernand David further asks that the co-operative societies be protected against excessive fiscal charges and joins in the criticisms that have been made as to the exaggeration of the charges imposed on the co-operative societies receiving advances from the State, through the obligation of the regional banks to demand a mortgage on their real estate as guarantee of repayment of these advances (4) and in the proposal to render the registration of the mortgage optional or to reduce its cost.

(1) See Bulletin, no III, 31st December, 1910, p. 313.

(2) See Bulletin, no I, 30th September, 1910, p. 323.

(3) See Bulletin, no II, October-November, 1910, p. 205.

(4) See Bulletin, no III, 31st December, 1910, p. 227.

He also shows the necessity of a severer control over the co-operative societies benefiting by State Credits: this is, in the first place, the office of the regional banks which are responsible for the advances, but the State Department granting them might advantageously institute a control on the spot to be entrusted to the professors of agriculture.

The Chamber accepted these proposals during the discussion on the agricultural estimates, in which the subject of the co-operative societies was treated at length. M. Albert Métin dealt specially with the *fruitières* (1) of Jura and Franche Comté (to-day about 1,800). He signalled the dangers that threaten the existence of these ancient associations. The Gruyère cheese industry has been imperilled by certain village dissensions but still more by economic causes: the necessity of renewal of implements, of reconstructing the *châlet*, and the difficulty of finding good *fruitiers*. The Swiss have come to instal themselves as manufacturers and have composed the village differences, while reducing the former associates to the rank of suppliers.

M. Charles Dumont, presenter of the General Report, answered that this danger was more pressing four or five years ago than at present. The true cause of the crisis was the exaction on the part of the consumers who demanded a gruyère of special consistency, with holes, similarly to the Swiss emmenthal. The French *fruitières* had some difficulty in accommodating themselves to this form of production demanded by the consumers; but thanks to the Government assistance which allowed of their sending an apprentice to the school of Rütli, near Berne, thanks also to the National Dairy School at Poligny which prepares excellent cheese-makers, they now know the process and succeed in producing a gruyère after the true emmenthal style. We are then in presence of a renewal of direct manufacture by the *fruitières*. As to the arrival of Swiss enterprise, it has been more beneficial than hurtful: these cheesemakers having learned that one could make an authentic emmenthal of French Milk, urged by the advantage of paying no customs or transport charges have come to make cheese on the plateaux of the Doubs, in the valley of the Nègre, etc.; and this is a great advantage for the mountain dairies.

M. Métin recognised that association for the sale of milk and for cheese manufacture is beginning to recover. In his opinion, the chief remedy lies in municipalisation or in municipalisation and co-operation. With reference to this, he mentioned a commune of the arrondissement of Besançon that quite recently sent its mayor and two delegates into Switzerland to study the manufacture of cheese and has constructed a model *châlet*. This combined action of municipalisation and co-operation should also be applied to cattle rearing and selection. He recalled, with regard to this, the

(1) See Bulletin, no III, 31st December, 1910, p. 230.

communal livestock proposal presented by M. François Quéry, having for its object the "obtaining, for deserving farmers, without caution money, as many head of selected cattle as they could conveniently tend, nourish and maintain and this with guarantee to the lender". This proposal was rejected by the Senate; and one of the arguments put forward was that one should not furnish cheap agricultural credit to the communes as is done for private persons. It is objected that the repayment of the money received out of the funds for agricultural credit would impose burdens on all the inhabitants for the advantage of the cattle farmers: the consequence of this doctrine, said M. Métin, is that the commune, desirous of constructing a model ch<sup>â</sup>let and not in possession of sufficient reserve funds, not being able to apply for the credit for the co-operative societies, must borrow at 3 ½ or 4 %. He hoped then that the Minister of Agriculture would arrange with the Minister of Labour and Social Thrift, to offer country democracy the same advantages enjoyed by that of the towns.

#### § 4. *The Question of Superphosphates and Co-operation.*

We have already noted in the preceding Bulletin (1) that for some time there has been observable in the French agricultural world a great agitation against the frauds in connection with and the high price of superphosphates, and that the creation of co-operative factories is considered as the most efficacious means for remedying this state of things.

The matter was treated at length in the Chamber in the discussion on the agricultural estimates, and quite specially by M. Tournan and M. Jacques-Louis Dumesnil, who attempted to show that the high price of superphosphates is an artificial creation of coalitions, of the manufacturers' trust, an organization which must be combatted to the death because it speculates in a material that may be considered as the "bread of agriculture".

"It is the St. Gobain Company, said M. Tournan, that, by its power, has imposed its will on all the other factories: in fact of 1,300,000 or 1,400,000 tons of superphosphates annually produced in France, it produces 800,000 or 900,000 tons. It has almost the monopoly of the pyrites and consequently of the sulphuric acid which enters so largely into the manufacture of the superphosphates. In this way, it has been able to extend its dominion over the whole industry. The agricultural syndicates tried to defend themselves and it resolved to fight them to the death; it rallied to it the other manufacturers and contracted the agreement of 1900 which united together not only the French producers but the Belgian with them. The small manufacturers were obliged to make real contracts, with penalties etc.

(1) See Bulletin no. III. 31st December, 1910, pag. 294.



In consequence of a judicial inquiry certain modifications have been made in the mode of the coalition, but the large manufacturers are still complete masters of this industry.

Besides having provoked the rise in price, the agreement, adds M. Tournan, strove to deprive the farmers of their means of defence; it has tried to detach them from the agricultural syndicates; not only does it impose on the syndicates conditions as hard as on simply private persons, but it combines with the manure dealers to whom it grants a secret rebate on the common price.

M. Dior, president of the Professional Syndicate of Superphosphate Manufacturers, defended the superphosphate manufacturers from the charge of having constituted a trust both for France and with the Belgians; he declares that all attempts made by these latter have failed. There only exists an understanding among the French makers, an understanding constituting a legitimate defence against foreign competition, French superphosphate industry not being protected by any customs tariff. Besides if the French factories, says M. Dior (1), were tempted to unjustifiably high prices, they would soon be brought back to wisdom, by an increase of foreign importation to the detriment of their production.

Besides the understanding has not resulted in excessive prices and has only realised modest profits, there are societies that have not paid a centime as dividend to their shareholders, even during the years in which the prices were high, because those years, happy for them as regards the price of sale, were not so from the point of view of the price of production. A factor, of which account must be taken, and which the opposition has not sufficiently considered, says M. Dior, is the cost of the raw material.

M. Jacques-Louis Dumesnil shows, in his turn, that the rise in price is not due to the increase in that of the raw material. In 1905, mineral superphosphate 13-15 was sold for agricultural use at 33 centimes the degree, or 4 frs. 50 c. the 190 kgs. In 1908, and since then the price has scarcely varied, the same superphosphate was sold at 48 centimes; 6 frs. 50 c. the 100 kgs. for the same use, or with an increase of 2 frs. per 100 kgs., or 45 %.

The reason given for this increase of price is the rise in price of phosphates which is 80 centimes per 100 kgs. Now in the manufacture of superphosphate the phosphate enters for 50 %, the increase is therefore 40 centimes per 100 kgs. The rise in price of sulphuric acid has not been considerable, and the same may be said of the manure sacks and the coal.

This increase of 2 francs was then by no means justified by the rise in price of the raw material which was only increased by 50 centimes per 100 kgs at the maximum.

(1) Letter published by M. Dior in the *Reforme économique* (Economic Reform) of the 17th February, 1911.

The rise in price, of which complaint is made, is then artificial, and the farmers ask for measures to be taken against it. What are these remedies to be?

Some are in favour of the establishment of a tax similar to that on bread, a tax which seems to them the more justifiable, as the superphosphate is an article of the first necessity for agriculture. Others ask for the nationalisation of this industry so that the superphosphate may be provided at cost price: others at last for the creation of some State factories to compete against the private industry and serve as a check upon it. But the remedy which seems most practical, is the creation of co-operative factories which have given good results in England, Belgium and, above all, in Italy, where these institutions have shown that they could victoriously resist against industrial crises. The French, says M. Tournan, are capable of directing large co-operative undertakings; there exist, in fact, at this moment, sugar factories of which the initial capital is several hundred thousand francs. A factory capable of producing 10,000 tons of superphosphate the year would not require a capital of more than 350,000 frs. Recent improvements in implements permit of a large reduction in the cost of manufacture: this price which, in France, amounts to 15.20 and even 25 centimes per 100 kgs may fall to 5 centimes. With the employment of new implements, three men suffice for the manipulation of 10,000 tons of superphosphate; the limited number of the staff would easily permit of limiting or even suspending production in case the existing superphosphate companies should combine against the nascent co-operative society.

Under these conditions this industry is quite within the reach of the farmers, and if they have not yet undertaken it, it is because they would have been obliged to find at the start all the capital necessary, and they could not have recourse to the agricultural credit banks. The constitution must then be made easy for them. With regard to it, M. Tournan presented the following resolution: "The Chamber invites the Government to accord the benefit of the provisions of the law of the 29th December, 1906 (1) to the co-operative societies formed by farmers for the manufacture of manures."

The law of 1906 which reserves to the agricultural co-operative societies a part of the advances placed at the disposal of the Minister of Agriculture by the Bank of France, had not provided for the class of operation at present under consideration. M. Tournan, however, thinks that this law is large enough to include this new class of societies. In fact, art. 4 says that "Agricultural co-operative societies constituted with a view to effecting or facilitating any operations of production, etc.," may receive such advances.

(1) See Bulletin No. III, 31st. December, 1910, page 226.

Now, added he in his speech in the Chamber, this manufacture of manures enters into this class: it is not an industrial occupation, as some have wished to object, but agricultural, because it is the agriculturists who are uniting to obtain for themselves materials useful in agriculture.

M. Raynaud, Minister of Agriculture, declared that he was not opposed to the principle of M. Tournan's proposal, but, as it was interpreting the law in a new sense, he was desirous of having the opinion of the Agricultural Commission, and, if necessary, that of the Chamber.

The resolution proposed by M. Tournan has been sent on to the Agricultural Commission.

## 2. Co-operation in Viticulture in the Department of Algiers.

The "co-operative wine society" is, as is well known, one of the forms of Agricultural Co-operation presenting the most serious difficulties, both on account of the individualistic character of the parties concerned, and on account of the nature of the produce with which it has to deal.

In fact, we have seen that in Italy the co-operative wine societies, born under the happiest auspices, have had to face repeated crises, we may see that, even in Germany, in the Valley of the Rhine, and in Portugal, this form of co-operative society has had no great success, and in France its progress is very slow, considering that the number of these groups to-day does not exceed forty.

It will then be very interesting to study the manner in which this highly important form of association began, and, in the space of a few years, has succeeded in consolidating itself, in certain territories of Northern Africa, and, more particularly, in the Department of Algiers.

According to a study recently published in the *Revue de Viticulture* (1) by M. Roger Marès, who quotes from many sources, eight co-operative wine societies were working in this department at the date of the last vintage: 300 wine farmers are members of these societies and they have produced 90,000 hectolitres of wine. Let us follow the writer in his interesting review.

The movement began five years ago, and, at its start, received encouragement from the Colonial Administration and especially from the propagandism of the Agricultural Departmental Professor. The Department, it is true, presented favourable conditions, such as the decidedly French character of its population and the large number of small wine farmers; there were great obstacles, however, to any co-operative organization: the distance between farmer and farmer, the want of any close bond of union among the colonists, coming from every part of France or of Europe, the financial difficulties in new countries, where the colonist must entirely create his farm, and, finally, the hostile interest of the great grape purchasers.

We shall now see how all these obstacles were overcome. The first attempt to form a co-operative wine making society was made in 1905, in the village of *Dupleix*: the colonists, who arrived there in 1897, had found

(1) *Revue de Viticulture*, Paris, nos. 885, 887, 888, 889. This publication contains numerous illustrations, plans, etc

rich soil, a healthy climate, and facilities for export by sea. Soon, 28 small vineyards, of a total area of 60 hectares, combined together: and they had to arrange for fermentation in the open air in old broken-down wagons, or else sell the grapes at 4 francs the 100 kilogrammes, at 12 kilometres distance. But for retail sale to workmen on the roads and bridges, they must have been ruined. But this market was to be lost with the termination of the colonization works. The moment was then suitable, for the colonists of Duplex, who already had a mutual credit bank (1), to unite in a viticultural co-operative society. But the first point was to find the funds for building a large well equipped cellar. A cellar was required able to contain 4,000 hectolitres and vats for about 1,000 hectolitres; for these constructions 30,000 francs were necessary. The legal constitution of the society only requiring payment of the first quarter, or 7,500 francs, the local mutual credit banks consented to advance this sum to the future members. A call for a second quarter of the capital made after the vintage, would allow of payment of a second account to the contractor.

To-day, it would be possible, profiting by the advantages that the law of the 29th December, 1906 (2) grants, to pay the second half of the costs by arranging a long term loan with the Regional Bank; but at that date the co-operative societies had to pay their debts by means of annual deductions from their harvest gains.

The Duplex Society, having no other scope than collective wine-making, had scarcely need of money except for paying the labourers, and the Local Mutual Credit Bank offered to advance it.

But another serious difficulty had to be overcome: the mutual distrust of the colonists for each other. This difficulty was surmounted by the introduction into the regulations of very severe provisions with regard to the contributions of capital and the selection of the grapes; with regard also to the vintage and wine-making work, etc. Thanks to these measures the members, in five years have never had to call into action the arbitration committee provided for in the regulations.

The most difficult question to solve was that of the division of the profits. Algerian wines are sold by the degree: it was then established that the grapes should be placed on the weighing machine and tested by the gleuconometer, on their arrival at the cellar. Everyone should then receive the price of his harvest in proportion to the number of degrees brought, that is to say a member who brought 1,000 kilogrammes of grapes at 12 degrees should receive the same price as one who brought 1,200 kilogrammes at 10 degrees.

(1) The laws on Short Agricultural Credit were extended to Algeria in 1901. See *Bulletin*, no. III, 31st December, 1910, pp. 219, etc.

(2) See *Bulletin*, no. III, 31st December, 1910, pag. 226.

After overcoming all these fundamental difficulties, on the 5th July, 1905, the "Dupleix wine-making Co-operative Society" was definitely constituted, under the form of a limited Society in civil law, of variable capital (laws of the 24th July, 1867 and 1st August, 1893). According to the 1st article of its Rules, which have served as a model for the co-operative societies created later, its object is to "treat the grapes of the personal production of its members and to provide for the sale of the produce". The 30,000 francs forming the initial capital were divided into 300 shares of 100 francs each, 25 francs paid up. The interest is fixed annually by the General Meeting and cannot exceed 5 %. The expenses of making and storing the wine, as well as those in connection with the sale, form a charge against the Society. To pay these expenses, the interest and the annuities for extinction of debt on the capital and on the loans, the society retains 1 franc per hectolitre of wine. If, after paying the expenses, there is an excess, half is paid into the reserve fund, and the surplus is divided among the members in proportion to the number of hectolitres dealt with by the society. In case of insufficient receipts, the society may raise the amount retained.

Of 30 wine-farmers inhabiting the village, 28 contributed to the foundation of the co-operative wine society. Since then, the number has been raised to 32. The cellar had to be built with rigorous economy to make the wine and to accommodate 4,000 hectolitres. As the country is subject to earthquakes, it was decided to construct cylindrical amphoræ in armoured cement, entirely independent of each other. Eighteen can contain from 200 to 220 hectolitres, and 2 from 100 to 110. The cellar is only suitable for large wine vessels and is only provided with the material indispensable for wine-making (a moveable press, a refrigerator, three pumps, another press, a still for distillation of the marc), excluding all material for retail sale, or accommodation for bottled wine. The Dupleix colonists, aware of the unfortunate results obtained and the failures that had taken place abroad in the case of several wine-making societies that had started a complex organization for retail sale of a large stock, the collecting and keeping of which is very difficult, and had had to support the exactions of a special permanent and costly staff, adopted the system of only selling wholesale, leaving it to the trade to find the customers, to serve them and to support all the expenses in connection with retail or small businesses. This is the course followed later by the other Algerian co-operative societies (of Gouraya, Fontaine-du-Génie, Novi, Zurich, etc.)

The Society has to increase its revenues by the delivery of the best wine, by reduction of waste, by increasing the yield of the vintage, reducing the general expenses for collective wine making and collective wholesale sale.

This class of viticultural co-operation has not been slow in showing its practical side and its great advantages, not only for the producers who

are members, but also for the merchants for whom it has facilitated operations by this manner of delivery of goods.

The co-operative wine cellar finds in agricultural credit its necessary complement; not only may the Mutual Credit Bank grant the funds for the first installation and the advances necessary for vintaging and wine-making, but it may also play a very important rôle in warranting their shares of the wine in the cellar for members manifesting the desire. And it is one of the greatest advantages afforded by the association; in a co-operative wine society the wine may be quite safely warranted under the supervision and with the guarantee of the society and thanks also to the perfect conditions for storing used for the wine. Each wine-farmer may then immediately enjoy the price of his harvest while with the association he keeps all liberty to await the moment propitious for selling.

Co-operative methods have had a most beneficent influence upon the viticultural production of this region; the colonists, encouraged by remunerative prices, strong in the tranquillity they have through the certainty of finding the resources they require according as they are needed, liberated from the expense of wine-making and wine storing and the worry of the sale and delivery, are in a position to give more care to the cultivation of the vine.

Thus the wine produced by the Dupleix Society, which in 1905 was 2,300 hectolitres, rose in 1909 to 4,950 hectolitres. The following figures will give an idea of the progress of this co-operative wine society:

	1905	1906	1907	1908	1909
Quantity of wine made.	2,300 hect.	3,000 hect	3,500 hect.	3,970 hect.	4,950 hect.
Price of sale of wine	8 fr 50	8 fr. 50	10 fr 75	10 fr 50	13 fr. 50
Expense of wine-making	1,495 fr	1,950 fr	2,275 fr.	2,580 fr	3,222 fr
Miscellaneous expenses	100 fr	120 fr.	130 fr	150 fr	200 fr

The wines are always sold about a franc above the price established in the region by private farmers.

The expense of wine-making, of wine storage, of purchase of phosphates and tartaric acid have always remained a little less than 65 centimes per hectolitre. This low cost of production is due to the economical management of the cellar which is placed under public protection. There is no permanent employee. The manager engages the daily staff necessary at the time of the harvest. It consists of a European, assisted, if necessary, by one or two natives, who undertake the racking and the storage, up to the delivery and barrelling of the wine. From this date, the cellar remains closed up to the next vintage.

The merchants, recognising that matters proceed in the co-operative societies in an absolutely correct manner, make their purchases directly, for the most part without agents.

Experience has shown that the associated wine farmers, without in any way changing their custom of selling wholesale, make an annual average profit of 2 fr. 50 per hectolitre.

But wine-making co-operation – adds the writer – has also produced considerable benefits from the moral point of view: community of interests has almost entirely overcome party spirit, and led to union and concord.

The happy results obtained by the Dupleix society engaged the wine-makers of other localities to imitate their example. The neighbouring commune of *Gouraya* itself, on the 4th June 1907, founded a wine-making co-operative society, with a capital of 15,000 frs. and united 22 members, whose production was to amount to 5,000 hectolitres. Its cellar contains 20 vaulted vats in masonry, arranged in double file. The wine cellar is equipped with machinery. The 5,472 hectolitres of wine made in 1907 were sold at 11 fr. 50 the hectolitre: the 4,125 hectolitres of 1908 at 10 fr. and the 6,000 hectolitres of 1909 at 13. fr.

The co-operative movement rapidly extended, in spite of the progress of the phylloxera which had recently made its appearance. “The examples furnished by our first co-operative societies – said the wine-farmers – have shown us that we can pay the initial expenses in four years out of the surplus receipts they bring in. Let us hasten to create them while we still have our vineyards: all our care, all our resources, will remain disposable for their reconstitution the day that is necessary, and our equipment will still be there to increase their yield”.

At the end of winter in 1908, the village of Zurich, afterwards the viticultural centres of Fontaine du Génie, Novi and Alma, in their turn founded four new societies.

It is very interesting to note the rise of co-operative wine societies even in centres long inhabited – as Novi and Fontaine-du-Génie – among wine-farmers in very easy circumstances and in possession of excellent material for wine-making: it was thenceforth demonstrated that in four years the profits of co-operation must pay all the expenses of a common installation. So we saw new members take down their tuns and transform their cellars into living rooms or stables, others making store-rooms of the rooms where their vats used to be, etc.

The most typical example of this state of mind was given by *Fontaine-du-Génie*: in this centre, 18 wine-farmers founded a co-operative wine cellar, with a capital of 57,000 frs. and constructed a building to hold 17,000 hectolitres. The wine-cellar is of circular form: it is furnished with every modern appliance for making wine. The wine stored the first year amounted to 12,000 hectolitres. The cost of wine-making and other expense came to 6,600 frs., or 55c. per hectolitre; but the distillation of the marc gave a net profit of 1,791 frs. and the sale of the lees 1,500 frs., altogether 3,291 frs. covering more than half the expenses.



The society of *Novi* consists of 28 wine-farmers, who, in 1910, made 17,000 hectolitres. Their cellar can hold 20,000 hectolitres. Besides, a special building contains 20 vats for 250 hectolitres each. This building, including all the machinery, was built by contract at the price of 175,000 frs., or 7 fr. 50 the hectolitre on delivery. The equipment is entirely mechanical. The cost of wine-making was only 15c. per hectolitre.

The co-operative society of *Mahelma*, founded last year, has 30 members. Its cellar is built on a new model: in order to profit by the slope of the soil, and to simplify the machinery, the space for the vats is at right angles to the cellar (10,000 hect). Thanks to this arrangement, the cost, including the 10 vats of 250 hectolitres, and the machinery, is 100,000 frs.

The *Castiglione* society consists of 113 members: its cellar is adapted for 10 vats of 300 hectolitres and 15,000 hectolitres in amphoræ: it is arranged for double this amount and may hold 30,000 hectolitres. Also the machinery with which it is equipped is provided to suit a production of this importance. The cellar exhibits a special arrangement also rendered possible by the configuration of the soil; it has 4 rows of amphoræ. The cellar was built by contract for 216,000 frs. The first year the Society made 13,000 hectolitres of wine.

The principle determining the choice of site for the co-operative cellar, is solely based upon the economy to be realised in the cost of transport. As far as possible they have been placed in the neighbourhood of a railway station, or even on the sea shore, as at Duplex.

Those co-operative societies that have been constituted under the form of limited liability societies of variable capital enjoy important fiscal facilities which have been granted them by the Colonial Administration: they have not to pay licence of any kind. Further, each member has the right to 30 litres of alcohol free of duty after the distillation of the marc, for all distillation of the husks is excluded.

The wine making co-operative societies of Algeria are carried on rigidly upon mutual principles: exclusion of all capitalistic interference, active and unpaid participation of all members. They, must, however, not be diverted from their rôle which is making wine from grapes: the sale of the goods, as its consequence, demands a staff and a costly organization, which, it seems, in Algeria, must rather remain in the hands of the wholesale trade since two thirds of the produce are exported.

The check sustained by certain foreign co-operative societies who undertook too great an expense in staff and material, was a good warning; so the Algerian co-operative societies have kept to a moderate form, approaching that of the *Cantina Sociale Ottavi*, without, however, the organization of the home and foreign sale.

# CO-OPERATION AND ASSOCIATION

## ITALY.

### RECENT NEWS.

#### 1. Legislation and State Intervention in regard to Agricultural Organizations.

1 A Federation of all the Co-operative Wine Societies of the Kingdom and the Work of the Government in their Behalf. — On the initiative of the Italian Viticulturists' Society, the seat of which is at Casale Monferrato, the plan has been formed of the constitution of a Federation of all the Co-operative Wine Societies of the Kingdom. The Ministry of Agriculture, with the object of encouraging the most deserving, has published a prize competition for the preparation of table wines of invariable type: this competition is now going on. The Commission of Inquiry into the conditions of the wine industry has expressed the wish that a new fund be placed on the Estimates for subsidies to favour the establishment of co-operative wine cellars, taking count of the improvement of the produce rather than of the increase of production. Further, the Ministry itself is preparing a Report upon the action which it is taking against the adulteration of wines and in the next Meeting of the Superior Council of Agriculture a proposal will be made for the formation of a special body of inspectors.

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2. Agricultural Societies and Consortiums in the Basilicata Rewarded. — The Commission, appointed by the Ministry of Agriculture to judge in the two prize competitions instituted by Ministerial Decree of the 27th November, 1908, one among the Agricultural Consortiums and the other among the Agricultural Societies of the Basilicata, has proposed a reward to the Consortium of Grassano, "both on account of the number of its

members and the amount of its assets, and for the amount of business done by it, and the care with which it sees to the employment for agricultural purposes of the loans granted to it". It has also proposed prizes of frs. 1,000 for the Consortiums of Potenza and Maratea.

As to the competitions among the Agricultural Societies, in which thirteen Associations took part, the Commission has proposed to the Minister to grant the first prize to the Venosa Society, which "both for the very large number of its members (507), and the total amount of its business, and the manner in which it has adapted itself to its new duties and performs them, must be considered as one of the most important agricultural credit institutions of the Basilicata"; it has proposed, further, to assign a second prize to the Montemilone Agricultural Society "which, although to a lesser degree, possesses the same qualities as that of Venosa"; another second prize to the limited liability Agricultural Society of Matera; and lastly, third prizes to the Montalbano and Potenza Agricultural Societies.

The Minister of Agriculture has approved the proposals of the Commission.

(Summarised from the *Gazzetta Ufficiale del Regno* (Official Gazette of the Kingdom), Rome, no. 299, 16th December, 1910)

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**3. The Provincial Administration of Rome in Behalf of Agricultural Co-operation: The First Professorship of Co-operation and Labour.** — The President of the Provincial Deputation of Rome, expounded the Agricultural programme of the Administration in one of the last sittings of the Provincial Council.

Let us mention among the various proposals announced that of "completing the work of the itinerant professorships of Agriculture by another itinerant professorship, to be called: Professorship of Co-operation and of Labour."

It must actively propagate the principles of reciprocity, thrift and co-operation throughout the Province: it must also urge the foundation of co-operative institutions of agricultural character, supervise the working of those already existing and complete them; aid in the solution of conflicts arising in agricultural labour, whether they be between individuals or groups, and provide for arbitration in the case of such conflicts; and institute a kind of Exchange for agricultural labour so as to regulate the migratory movement of rural populations, according to the supply and demand of the different parts of the Province.

(Summarised from *Il Popolo Romano*, Rome, no. 255, 20th December 1910).

## 2. Work of the Federations, Central Institutions of the Co-operative Societies and of the Large Agricultural Associations.

1. Progress made by the National League of Co-operative Societies and the Italian Federation of the Mutual Aid Societies in the last ten Years. — The "*Co-operazione Italiana*", the official organ of the Alliance between the National League of the Co-operative Societies and the Italian Federation of Mutual Aid Societies, in the last number for the year, publishes the results of the work of the Alliance from 1901 to the 31st December, 1910. We reproduce some of these results

Federated and Subscribing Societies					Requests for Information	
Year	Co-operative Societies	Mutual Societies	Subscribing	Total	Legal	Administrative
1901	586	548		1,134	833	
1902	639	573		1,212	1,046	
1903	830	720		1,550	1,208	
1904	1,080	733		1,813	1,422	227
1905	1,297	745		2,042	1,210	302
1906	1,280	590	234	2,104	1,457	262
1907	1,416	599	255	2,270	1,732	250
1908	1,583	587	282	2,452	1,476	265
1909	1,790	708	1,081	3,579	1,707	321
1910	1,933	783	970	3,686	(1) 1,970	(2) 477

(1) Of which 1,296 written, 620 verbal and 54 published in the paper  
 (2) By letter, 102, inspections of balance sheets, 155, verbal, 185, practical examples in the journal, 35.

Journal <i>La Cooperazione Italiana</i> (1)			
Year	Copies Printed	Double Numbers	Supplements
1901.....	2,300	3	5
1902.....	2,500	9	3
1903.....	3,000	11	12
1904.....	3,300	18	8
1905.....	3,600	14	20
1906.....	4,000	5	32
1907.....	4,400	3	33
1908.....	4,700	6	42
1909.....	5,000	14	39
1910.....	6,000	22	26
(1) By means of this publication the National League of Italian Co-operative Societies promotes the cause of co-operative and mutual principles			

Amongst the "new engagements" this National Organization has undertaken for the future, let us note the following: "A better organization of the Service of Inspection of the Administration and Accounts, more intense propagandism in behalf of the weekly journal, *Cooperazione italiana* to consist permanently of 8 pages from the 1st January, 1911".

(Summarised from the *Cooperazione Italiana* (Italian Co-operation), Milan, No. 911, 31st December, 1910).

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**2. The Agenda for the Ordinary General Meeting of the Italian Farmers' Society, in 1911.** — On the proposal of the President of the Society, the Hon. Marquis Raffaele Cappelli, it was decided at the meeting of the Board of Management of the 28th November, 1910, that the ordinary General Meeting of 1911 should take place on the 22nd, 23rd and 24th February. Intending to publish at a convenient moment, a full report, we shall now give the agenda:

1. President's Report for 1910;
2. Prof. A. Buttini: Speech "on the Campbell Method for Retaining Humidity in Dry Soils";

3. Prof. P. Ferrari: Report "on the Bill, of Ministerial Initiative, for the Obligatory Insurance of Peasants against Accidents in Labour",,

4. Prof. P. Frizzati: Communication "upon the Administration of the Agricultural Property of the Charitable Endowments";

5. Deputy G. B. Miliani: Report "on the New Forestry Legislation and its Application";

6. Deputy G. B. Miliani: Speech "on Viticulture and Winemaking in the Province of Mendoza (Argentine Republic)",,

7. Prof. B. Moreschi: Report "on the Zootechnic Problem and the Duties of Farmers";

8. Prof. F. Virgili: Report "on the Results of Tobacco Culture in Italy";

9. Members' Communications;

10. Approval of the Accounts for 1910;

11. Approval of the Estimates for 1911;

12. Election of the Presidents, Vice-presidents, the Members of the Board of Management, of the Divisions, and the Censors, whose mandate is expired.

On the 25th February, there will be an excursion to visit some farms of the Roman Campagna.

The State Railways, and those of private companies having services in common with the State, and the State-aided Navigation Societies, have granted reduced prices for return tickets, for the following dates:

Forward: from the 15th to the 24th February, 1911.

Return: from the 22nd to the 28th February, 1911.

(Summarised from the *Bollettino Quindicimale della Società degli Agricoltori Italiani*, Rome No. 1, 15th January, 1911).



**3. Programme of Work, for 1911, of the Lombard Agricultural Society and the meeting of the Milan Agricultural Comizio.** — In the meeting of the 28th December last, the President of the Society, in the name of the Board of Management, communicated the programme of work for 1911 to the members. Among the different undertakings comprised, let us mention the principal and the most urgent.

The continually increasing deficiency of labour and the rise in its price which comes as a consequence, has induced the Society to study "the cost of labour in relation to the price of produce, to the financial possibilities of the enterprises and the new rate of hire of land". The Commission, entrusted with this study, is already at work, guiding itself by reliable data taken from the financial statements of various undertakings of

lower Lombardy, varying in their position, their extent and the method according to which they are organized. The result of their researches should serve as a guide for future renewals of leases".

A specially important project is that of starting a "competition amongst the farmers who apply electricity in their work, as motive force for raising water, ploughing, or in dairy machines, etc.". This competition was suggested by the thought: whether it would be possible to make large use of that electric energy, now traversing the country, on its way to be used in the town industries, and to work the agricultural machines with it, so as to make up, at least in part, for the want of labourers. Another competition will be organized for a "model stable" to accommodate a certain number of dairy cows and "to unite with economy in expense also the simplification of service and to correspond perfectly with hygienic requirements".

The Lombard Mutual Society (already mentioned in the first number of the Bulletin, pp. 299 and 344) has proposed another absolutely and really immediately urgent matter to be studied by the Agricultural Society. This is with reference to the *insurance of peasants against accidents*, as a law rendering this insurance obligatory is on the point of being promulgated. For this purpose, a special Commission has been appointed, entrusted with the examination of the bill in question, presented, last December, to the Senate by the Ministers Luzzatti and Raineri, a bill that we are dealing with in a special notice in this number of the Bulletin, to which we refer our reader; the conclusions of this Commission, also entrusted with the preparation of a model of insurance contract for adoption in Lombardy based upon the above mentioned bill, will be laid before the Parliamentary Commission and before the Government. In regard to cheese making, the association proposes taking part in the fifth meeting of the International Dairy Federation, in order to learn and afterwards publish for Italy the progress made in the manufacture of cheese in the whole world. And since the quality of *grana* (Parmesan cheese), famous through all Lombardy, depends principally on the *casari* (cheese makers) a prize competition is being arranged for them.

The Association further, proposes to grant a subvention of 1,000 francs to the "Co-operative society for the production of native bulls of brown race, and the establishment of service stations constituted as consortiums", a society in course of formation which will be encouraged by the provincial Commission of Livestock Improvement, by the Itinerant Agricultural Professorship and by the Agricultural Society of Lombardy itself.

The Association has, further, the intention of occupying itself, in 1911, as in the past, with the bills, concerning agriculture generally, which are presented to Parliament, beginning with that on "redhibitory defects in contracts of purchase of domestic animals". It also will concern itself

with the "ever present question" of the representation of the farmers in the Superior Council of Labour and, generally, with the legal representation of Agriculture.

A few days after the General Meeting of the Agricultural Society of Lombardy, the headquarters of which are at Milan, that of the Agricultural Comizio of the same city was held. The President spoke of the work accomplished by the Comizio in the course of the previous year, mentioning its action with regard to the métayers' contracts, its propagandism in favour of the registration of peasants in the National Thrift Society, the courses of professional instruction in the country, the training schools and schools of domestic economy, the telephonic communication established between all the communes of the Province (of which we have already spoken in the 3rd Number of the Bulletin, p. 369), the study of the commercial treaties, the studies on the composition of the Superior Council of Labour, and on the farmers' income tax; and concluded by putting before the meeting the desires of the agricultural classes recently presented to the Minister of Agriculture and already indicated by us in the 3rd Number of the Bulletin, p. 361.

There followed an ample discussion upon the serious problem of the contagious epidemic *aphtha*, raging at this moment in the Lombard country districts, and causing, with other effects, a rise of price in meat, and, it was unanimously decided, to invite the Government to be most rigorous in its action with regard to the control of cattle.

(Summarised from the *Bullettino dell'Agricoltura - Organo della Società Agraria di Lombardia*, Milan, No. 3, 20th. January, 1911)

4. **The General Meeting of the Friuli Agricultural Association.** — This meeting at which "all Agricultural Friuli" was represented, was held at Udine on the 20th December, 1910. The Secretary read the Report on the work of the Association for the year 1909. We extract some details. The "Committee of Purchase" in 1909 "a year of exceptional crises from every point of view" displayed very remarkable activity; the total business done by it (outgoings and incomings) amounting to about five million francs.

The "Machine Department" has added to its former duties the sale of machines and implements for dairy work, by which the Friuli dairies have profited largely. As in previous years, also in 1909, several "experimental trials of machinery" were organized, in order to popularise their use, and, on account of their importance, the Association took part in the Udine, Cividale, Martignaccio, Nimis and Tolmezzo shows. It also largely



extended agricultural instruction in all its forms. A special study was made of "Experiments in Agriculture", and several experimental model farms were established.

With regard to the progress of the cheese industry, the work of the "cheese making department" could not have been more efficient: in 1909, in fact, it co-operated in the organization of 15 new "co-operative dairies"; and 3 shows of milk produce. Almost every day lectures were given and visits paid to the dairies, for the arrangement of rational equipment, construction of hygienic locales, control of milk, and improvement in the treatment of the manufactured articles. The theoretical and practical course of study of the manufacture of cheese at the "Dairy School" at Piano d'Arta was also much frequented. The Association, also, specially concerned itself with the progress of zootechnics and especially with the breeding of horned cattle, which is of great importance in Friuli. For this object, it has organized zootechnic lectures, competitions for the good maintenance of stables, Cattle-breeders' Societies, and Mutual Cattle Insurance Societies. It took its share in the "Provincial Cattle Show" held at Udine, collecting and awarding prizes in money for an amount of 10,000 francs, and 150 medals. It also concerned itself with pisciculture and the extension of fruit tree planting. It contended against the phylloxera and the "diaspis pentagona".

It also very usefully extended its sphere of action to Agricultural Statistics; the Ministry of Agriculture has even assigned it a regular subvention for this work and has appointed the Secretary of the Association Provincial Royal Commissioner for these statistics. With the help of its circulating Agricultural Libraries, now 6 in number, instituted at the head quarters of each department, and supported by the Ministry of Agriculture, the Association has been able to circulate among the farmers a large number of Agricultural works.

But we must still mention other undertakings: thus, in the name of the most important agricultural institutions of Italy, the Association presented to Parliament a petition with regard to the legal proof of ownership, which was included in the programme of the Agricultural Parliamentary Committee; it prepared special projects for the foundation of societies for the collective purchase and use of agricultural machines and for collective action of all the Italian Associations for purchase of superphosphates by single contract; it replied to the Royal Commission for the study of the condition of Italian sericulture (see the conclusions and proposals of this Commission in the 2nd number of the Bulletin, p. 126) publishing a monograph on the system of silkworm-rearing in Friuli, a monograph that the Ministry of Agriculture has arranged for the diffusion of in Southern Italy and the Islands; it took part in every movement for the organization of credit for the co-operative institutions, for obligatory

insurance in Agriculture, for the creation of an independent Ministry of Agriculture, and the revision of the tariffs for carriage of Agricultural goods and collective sales; it, finally, participated in the organization of Agricultural Federations of various kinds.

(Summarised from the *Relazione sull'attività dell'Associazione Agraria Friulana nell'ultimo esercizio* *L'Amico del Contadino*, Supplement to the *Bollettino dell'Associazione Agraria Friulana* (Report on the Work of the Friuli Agricultural Association in its last financial year, published in *The Peasants' Friend*, Supplement to the Bulletin of the Friuli Agricultural Association), Udine, No. 52, 24th. December, 1910).

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**5. The Third National Congress of Co-operative Dairies.** — In the 3rd Number of the Bulletin, page 364, we have already given the date and place of meeting of the 3rd National Congress of Co-operative Dairies together with the subjects to be treated at it. The programme has been completed by the following additional communications:

“The Internal and External Cleanliness of Cheese”;

“The Agricultural Mutual Societies and the Co-operative Dairies”;

“Sub-products of Southern Cheese-making”;

(Summarised from the *Casificio Moderno - Organo dell'Unione Nazionale delle Latterie Sociali Cooperative* (Modern Cheese-making), Piacenza, no. 2, 15th January, 1911).

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**6. The Recent Vote of the Consortiums for Action against the Phylloxera and a new Federation in the Province of Verona.** — Doctor Cavazza, in an article, entitled “Future of the Anti-phylloxera Consortiums”, published in the Sunday Journal of Agriculture, signals the tendency now exhibited by these bodies, even in Italy, to extend their action to the defence of all agricultural produce, against all sorts of parasitic disease or infection, that by their extension and seriousness acquire the character of public calamities. The writer expresses himself as follows: the Anti-phylloxera Consortiums must extend their action not only to everything connected with the defence, the progress and the equilibrium of viticulture, but also with the defence of other kinds of culture not less important than that of the vine and that may be threatened by parasitic invasions, against which a simultaneous and general action, through the whole territory infested, alone permits of the desired end being attained. “Conformably with these principles the Provincial Agricultural Office of Bologna has already prepared the scheme of rules for a Consortium, which the Provincial Council approved last November and of which we spoke

in the 3rd number of the Bulletin, page 373. Further, the Anti-phylloxera consortiums of Piedmont, following the initiative of several agricultural comizii, recently held a meeting for the same purpose, at the headquarters of the Turin Agricultural Comizio, which a very large number of persons interested in this question attended. After a long discussion, the meeting unanimously passed a motion, in which, among others, the following desires were expressed:

1. To render the constitution of the Consortiums more expeditious and easier;

2. To leave them power to provide for defence against the phylloxera and for any other form of defence and advancement of viticulture, in the way they shall judge most opportune, under the supervision of the Government;

3. To give the Consortiums power to provide themselves with the means necessary for their programme of work, by laying the associates under a suitable contribution;

4. That the Government encourage their work, indicating, at the proper time, the general rules they must follow and granting them financial assistance, and not diverting to other uses the funds placed for this purpose on the Ministerial Estimates;

5. That the Antiphylloxera Consortiums may occupy themselves with the defence of all plants against parasites.

This last desire is based upon the principle already established, that it is neither practical nor economical "to invoke a special law for each class of parasites, and that it would not be possible to constitute as many consortiums for defence as there are parasites."

We have thought well to indicate this extension of their sphere of action to which the Consortiums aspire, and of which we have already given examples. Meanwhile, there has just been constituted at Verona a Federation of the Anti-phylloxera consortiums to which all those of the Province have adhered.

(Summarised from the *Bollettino Quindicinale della Società degli Agricoltori Italiani* (Fortnightly Bulletin of the Italian Farmers' Society), Rome, no. 1, 15th January, 1911 and *Giornale di Agricoltura della Domenica* (Sunday Agricultural Journal), Piacenza, no. 3, 15th January, 1911).

### 3. Miscellaneous Information.

1. **A Speech of Signor Luigi Luzzatti on Co-operation in Italy.** — Recently the representatives of the Italian co-operative societies rendered solemn homage to Signor Luigi Luzzatti, "untiring apostle of the principle of Co-operation", and now Prime Minister and Minister for Home Affairs, presenting him with a medallion in his honour.

Several Ministers, the Mayor of Rome and the Prefect were present at the ceremony.

Signor Luzzatti, after thanking the promoters of this manifestation of affection, spoke, as follows, of Italian co-operation: "It is now passing through a difficult period; it is the object of severe censure, especially with regard to the action of the Agricultural Labourers' Co-operative Societies, which, however, constitute the characteristic note and the essentially national initiative. Do not be anxious: making allowance for the inaccuracies on which these criticisms are founded and which originate in political passions and ill concealed interests, there still remains some truth in them. Social organisms, just like any other, reveal their intrinsic and partly curable defects in the period of their full development.

"We must save ourselves from these defects by thrift and sacrifice so the great English and German co-operators, our masters, have done. There is no triumph without a high sense of morality. The Milan co-operators, now possessing the principal factory of gilt lamps, issuing from a strike, like so many others, contented themselves, for long years, with lower wages than their comrades: they lived in constant anxiety before attaining comfort in the powerful and flourishing factory of which they now are the proprietors. They have given proof also of another virtue, which seems more difficult and which consists in living harmoniously together for a social end, in spite of inevitable religious and political difference.

"Be good, and tolerant, and with less difficulty will you obtain economic power for your co-operative unions. But after having recognised your defects, it is not to be denied that co-operation to day is everywhere encountering hostility, because it is making its salutary effects felt.

"Having passed its infancy, when by reason of its impotence it won the praises of competitors, it is now applying itself successfully to combat usury in rent by constructing and using popular houses, usury in money by popular and rural banks, usury in provisions by distributive societies, the usury, finally, of the middlemen by societies for production and labour and collective hire, another essentially Italian form for which we are envied. The interests affected react, it is inevitable it should be so, in the daily war of competition.

"I should venture to say it is an advantage that it is so, since it is in struggle that the forces worthy to live and to contribute to social progress find their education. Co-operation is an economic method, tending to realise by the subtle thrift of associated savings, the great effects obtained by the associations of capital. These two methods are both necessary: and they must live side by side. Whilst we must give high praise to the capitalist associations which realise the great economic transformations of present day civilisation, render capital productive, cut isthmuses,

bring continents nearer to each other, exalt the glory and the power of our age and the nations illustrious in this competition, carried beyond limits yet known in history, let us also celebrate these humbler associations, children of sacrifice, gathering amongst so many thorns the flower of human dignity, that dry tears and do far more than render capital productive and unite continents... since they render productive and unite the hearts of the humble, the honorable and the strong, that live in silence and in pain.

"But the reproach is made against some of these co-operative institutions (and not without reason, perhaps) that they have deviated from their original simplicity, they are accused of pride and intolerance, of partisanship, of falsifying noble aims, under cover of a name they do not deserve to use. A mystic has said: *Where there is power, there is sin*. The co-operative societies, also, growing strong, and leaving their obscurity, have a tendency to deviate: they must be submitted then, from time to time, to a public examination of conscience. When I was Minister of Agriculture I ordered an inquiry into the action of the Roman co-operative societies, which should be now terminated, and I spoke of the motto: *Who loves well chastises well*. It will be right immediately to prepare a bill instituting for the Italian co-operative societies the mutual, sure and sincere methods of supervision which have contributed to the prosperity of German co-operation and of all the countries that have imitated Germany.

"With these brief hints I take leave of you with very great gratitude. I have sometimes had the happiness to take some effective steps in favour of the workmen. I hope to take others before rendering my account to God of the way in which I have passed my mortal life. But in the institutions of which I have provoked the creation, in those I hope to encourage and to create, if an exaggerated optimism does not mislead me, I am convinced that I have never flattered the workmen with the impostures of a demagogue, for I loved them and I love them with a strong affection.

"The end, that also in our country we must gradually attain, without disorder to the Estimates (for the Italian workman is the most interested in their good order, which means capital left free for production and not withdrawn by borrowings on the part of the State) this end is that which already consoles the brave German labourer with the maximum development of free co-operation and the maximum development of State insurance.

"The social world, like the world of philosophy, is full of apparent contradictions which the reality of history reconciles. Whilst, on the one hand, by co-operation, we educate and refine the power of individual character, on the other, we affirm and discharge the human duties of the State towards the unfortunate, advancing the great law of solidarity which binds to-

gether culture and ignorance, wealth and poverty, and which hinders us from all declining by compelling us all to rise.

" You, co-operators, you are the advance guard of this redeeming and pacific battle in behalf of social progress, and you must understand the great responsibility of your duty and your mission.

" In terminating my intentionally brief discourse (for neither the members of mutual societies nor myself have time to lose) I shall apply to you, that is to say, to co-operation, the sentence of a Father of the Church: *Unity in things necessary: liberty in things doubtful; charity in all.*

" The things necessary in co-operation are the spirit of thrift and altruism; the things doubtful are the diversities of economic and social methods; co-operation absolutely excludes, as mortal sin, anything in the shape of dictation, imposition or violence.

" But amongst the inevitable differences of school, programme, religious and political creed, let there predominate charity, the supreme law of mutual benevolence, devotion to our country, our sweet mother, who perpetually saves and redeems us ".

(Summarised from *La Gazzetta Ufficiale del Regno*, Rome, no. 12, 16th. July, 1910).

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2. **The General Meeting of Members of the Subalpine Oenophile Club.** — The Report communicated by the Vice President at this Meeting, which took place on the 10th. December last, shows us that during the year 1910 the Club gave proof of great activity.

In the early months it applied itself to the preparation of the Carnival œnologic show; on this occasion, the 25th. anniversary of the foundation of the Club was celebrated.

Afterwards, it had to concern itself with the arrangements to be made for the Piedmontese Collective Oenologic Exhibits at the International Exhibition of 1911. These exhibits will consist of more than *seven thousand* bottles, representing all the winemaking regions of Piedmont. The Board of Management of the Oenophile Club also interested itself, in 1910, in problems of viticulture, the wine industry and wine trade, in general, working in union with the Turin Agricultural Comizio.

(Summarised from *L'Economista Rurale*, Turin, no. 24, 25th. December, 1910).

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3. **The " Brescian Agricultural Credit ".** — This limited liability co-operative society, with headquarters at Brescia, recently published a monograph,

giving the results of its work from date of foundation (1883) up to 1908. We extract the following details:

The number of members, which, in 1883, was 138, had risen in 1908 to 2,174: the number of shares, which was 2,010, had reached 16,201; the amount of subscribed capital had risen from 100,500 frs. to 810,050 frs.; the reserve fund from 552 frs. to 405,025 frs.; the extraordinary reserve funds and the funds for extinction of the debt, which began in 1895 with 4,000 frs. in 1908 reached 1,052,065 frs.

Principal operations:

The free savings deposits, which in 1883 were 100,250 frs. rose to 8,544,900.73 francs and the current accounts increased from 4,717.55 frs. to 473,256.46 frs.

Adding together the free savings deposits, the conditional deposits for six months, the current accounts with service of cheques, in 1908, we get a total of 25,766,670.32 frs.

Loans on security, repayable in three-monthly instalments:

Year 1883	. . . . .	Frs.	17,133.30
» 1908	.	»	1,152,365.90

Bills discounted at 4 months or less:

Year 1883	.	Frs.	5,500.00
» 1908	. . . . .	»	3,262,364.12

Loans and current accounts on mortgage

Year 1887	. . . . .	Frs.	34,700.00
» 1908	. . . . .	»	6,066,804.46

Subventions guaranteed by bills, etc.:

Year 1887	. . . . .	Frs.	8,684.00
» 1908	. . . . .	»	11,653,439.03

The *Brescian Agricultural Credit*, "so well deserving of the national agriculture", obtained the gold medal at the Paris Universal Exhibition in 1900, the gold medal at the Brescia Exhibition in 1904 and the Certificate of Merit at the International Exhibition of Milan, in 1906.

(Summarised from the *Economista Italiano*, Milan, no. 51, 31st. December, 1910).

# CO-OPERATION AND ASSOCIATION

## NORWAY.

### CURRENT QUESTIONS.

#### The Reorganization of the Norwegian Farmers' Union.

##### Sources:

Frøi, No. 42 and No. 46.

Already on the 11th December 1909, in a meeting of the Norwegian Farmers' Union, presided over by the President Mellbye, Councillor of State, the reorganization regulations by which this Union is to be placed quite outside of party politics had been accepted.

The regulation was finally approved in a meeting held last Summer,

The new secretary, William Dietrichson, already editor of the *Frøi* entered upon his duties on the 1st February, 1910, in the office situated in Carl Johans Gate, 27.

From that moment began the active preparation of the new rules.

The result of this organizing work, which was chiefly accomplished in the Spring of 1910, was the organization of 37 arrondissement associations (electoral circumscriptions) in Ostland and Vestland.

In the North and in the South the work is not finished but continuing, 300 local Associations, have adhered and about 15,000 direct members the number of whom in certain circumscriptions is from 1,000 to 1,500.

The amount of entrance fees at present is calculated at 15,000 crowns a year (1 fr. 37).

This work having been begun, the new management, in the second half of the year 1900, proceeded to solve the question of an official organ for the Union. The private weekly periodical, *Frøi*, property of the President, had discharged the office of organ since the general meeting



of the 11th December, 1909, but the Union now desired to possess a periodical for its own exclusive use.

The President, therefore, assembled the board (14th November, 1910) and at the meeting he declared that, to avoid useless confusion, he willingly consented to change the title of the Review *Frødi* for, for example: *Norsk Landmandsforbund*.

After a short discussion, this was unanimously agreed to.

In consequence, the Review of the Norwegian Farmers' Union will begin publication on the 1st January, 1911, under the title *Landmandsforbundet* (Farmers' Union), free for the Union members, and monthly, while, up to the present, it has appeared weekly

The annual subscription for non-members is 2 crowns

# CO-OPERATION AND ASSOCIATION

## HOLLAND.

### I. — CURRENT QUESTIONS.

#### 1. Progress of the Co-operative Dairy Industry.

##### Sources

- 1) REITSMA: Lecture on the Progress of the Co-operative Dairies in Holland, published in the *Officieel Orgaan van den Nederlandschen Zuivelbond* ('s Gravenhage), 19th. August, 1910. Report of the General Meeting of the General Netherlands Federation of Manufacturers of Dairy Produce. The Hague, 19th. August, 1910
- 2) The Board of Management of the Netherlands Agricultural Society. *Buttermaking and Butter Control in the Netherlands. Bulletins and Reports*, 1904, No. 1. The Hague, 1904.
- 3) *Musée Social*, Paris, 1909.

##### § 1. *Progress of the Dairies.*

To commemorate the tenth year of its existence the General Netherlands Federation of Manufacturers of Dairy Produce (the F. N. Z.) held a council at Maastricht, on the 16th August, 1910. All the members of the Committee of the Federation, as well as the representatives of the Associated Federation were present, in all 360 persons.

In these ten years the co-operative dairy industry has made most important progress. A commission had already, in July, 1878, visited Denmark and Sweden, the two countries that had taken the place of the Netherlands on the great London butter market. In Denmark, the commission saw the centrifugal cream separators and the refrigerators working on a large scale, and soon acquired the certitude that, if large quantities of milk were treated in a single factory, it would be easy to obtain quantities of butter of a quality determined, which would be bought in preference to any other and paid well for on the foreign markets, and especially on the English market.

From this moment began a very active work of propagandism in favour of the foundation of industrial establishments (factories) to replace the household establishments of the farmers. But this movement met with a strong resistance on the part of the farmers themselves who were afraid of losing their livelihood, through the industrial produce of the factories.

Nevertheless, factories were started (the first in 1882) and began to work one after the other. In 1895, the number of steam dairies was 228, and those worked by hand 255; in 1903 their numbers were respectively 424 and 510 and, it need not be said, the greater part of the milk is treated in the steam dairies, the quantity of butter produced in a dairy worked by hand varying from about 5,000 to 20,000 kg. a year; while the production of the steam dairies rarely falls below 25,000 kg., unless they are associated with an establishment for the sale of whole milk. Their maximum production often exceeds 200,000 kg. per year.

The statistics of production also clearly demonstrate the preponderance of the steam dairies (butter factories).

In 1906, the *total* production of butter amounted to 59 millions of kgs., divided as follows: on the farms, 20 millions of kgs., in the factories 39 millions of kgs.

In the most productive province (Friesland) alone, the production is:

on the farms, 460,000 kgs.;

in the factories 13  $\frac{1}{2}$  millions of kgs.;

which proves that the transformation of domestic production into industrial is an accomplished fact.

It remains to be learned whether this transformation has been produced by co-operation or no. The disputes on the question have been bitter enough, but the farmers have always shown that they were determined to have their own factories.

In 1886, the farmers of Warga (Friesland) founded the first Netherlands co-operative dairy factory. There were, at that date, 12 other non-co-operative factories.

In 1895, the number of the co-operative factories was 80, and that of the non-co-operative 148.

In 1908, these figures were respectively changed to 360 and 213. That year the production of butter in the co-operative factories was 33 millions of kgs.; that in the non co-operative factories, 11 millions.

Since 1906, the co-operative production has increased by 5 millions of kgs., that of the non-co-operative societies by 100,000 kgs.

The general tendency towards co-operative production, then, is evident, although it varies from province to province and does not always act with equal force.

In the province of *North Brabant*, for example, the co-operative form is quite preponderant, but it is the system of hand worked dairies that

is in use almost everywhere, which is due to the relatively small number of dairy cows in the province.

In the province of *Limburg*, where, owing to the nature of the soil, dairies have been especially founded in the central parts, the conditions are similar to those of North Brabant.

The co-operative form is almost universal and the hand worked dairies are numerous, but they begin to be transformed into steam dairies.

The conditions of the dairy industry in the province of *Drenthe* resemble more or less those of North Brabant and Limburg. With some private dairies, we find there chiefly co-operative dairies, of which a large part, especially in the Southern region, are worked by steam.

In the province of *Zeland*, the dairy industry has only secondary importance, which is easily understood, since the conditions of cultivation tend to limit cattle rearing to a minimum and, consequently, the quantity of milk, necessary for the good working of a dairy is produced with difficulty. So, there are no very large factories, though the majority are worked by steam.

In the provinces of *South Holland*, *North Holland* and *Utrecht*, the number of co-operative is inferior to that of non-co-operative dairies; this comes partly from the existence of several establishments for supplying milk to the large cities.

On examining the statistics for the province of *Gelderland*, we find that though there are here many private dairies, the co-operative dairies are still the more important, both in number and in production.

In the province of *Overijssel*, the situation is different. The co-operative dairies and the non-co-operative ones are nearly equal in numbers, only there are more non-co-operative steam factories.

It must be observed that in the south-west of this province there are hardly any co-operative dairies. A large number of farmers are not yet willing to abandon buttermaking on the farm; the flourishing markets of Deventer, Raalte, Zwolle, Kampen, give proof of this.

The above remark could not be applied to the province of *Groningen*. By reason of the character of the soil we do not find large dairies here, although the majority of the dairies are worked by steam. The rearing of cows is of little importance for the farmer of the province of Groningen, especially in the clayey districts. Cultivation of crops on a large scale is most important for him.

Last of all comes the province of *Friesland*, which is the most important of the Netherlands provinces, from the point of view of the dairy industry, both with respect to the progress of the industry and to that of the co-operative movement, as the figures quoted above have shown.

Only in the South-East, where the nature of the soil corresponds in some degree to that in the neighbouring province of Drenthe, do we find

a few dairies worked by hand; for the rest, almost everywhere there are only large steam worked dairies, of which at least the half produce annually each more than 100,000 kgs of butter. There are several, the production of which exceeds 200,000 kgs annually.

§ 2. *The State and the Movement in Favour of Federation.*

If already a great step had been taken for the improvement of butter by transferring the manufacture from the farm to the factory, it did not stop there.

The Government lent its assistance in various ways; it took care that public instruction should not be behindhand.

In order that the farmers might understand and learn the new methods it founded dairy schools, which, have been lately replaced by a State College at Bolsward.

The State agronomic stations undertook a large number of experiments with regard to the nutriment of cattle in connection with the production of milk; the scientific agriculturists of the State and other competent persons delivered lectures for the information of farmers as to the benefits resulting from the proper breeding of cattle, from the cultivation and purchase of the most suitable food for the cattle, their careful treatment, and scientific nourishment; the dairy advisers, appointed by the provincial agricultural societies subventioned by the State, instructed the farmers in what it was necessary for them to know in order to obtain good milk in large quantities; they gave their opinion and their advice when they met with defects in the milk or errors in the way of making it, and became, in fine, a living *vademecum* for those intending to found a new dairy or wishing to perfect the equipment of one already existing.

Government support has happily not diminished the enterprise of the parties concerned, and, in the co-operative dairies, the spirit of association is strongly developed.

The best proof of this is that, simultaneously; the isolated co-operative societies of different provinces have attempted to unite.

In succession there have been formed:

the "Zuidnederlandsche Zuivelbond" 1893 (South Netherlands Co-operative Dairy Association);

the "Geldersch-Overijsselsche Bond van Coöperatieve Zuivelfabrieken", 1896 (Co-operative Dairy Association of the Provinces of Gelderland and Overijssel);

the "Bond van Coöperatieve Zuivelfabrieken in Drenthe" 1896 (Co-operative Dairy Association of the Province of Drenthe);

the "Bond van Coöperatieve Zuivelfabrieken in Friesland" 1896 (Co-operative Dairy Association of Friesland);

the "Noordbrabantsche Zuivelbond" 1900 (North Brabant Co-operative Dairy Association);

the "Bond van Zuivelfabrieken in de Provincie Groningen" 1900 (Co-operative Dairy Association of the Province of Groningen).

In 1898, the Provinces of Gelderland and Overijssel united in the "Netherlands Co-operative Federation". But this association not giving the results hoped for, in 1899 it was decided to found a General Federation of Manufacturers of Dairy Produce (the F. N. Z).

It was only in 1900 that this foundation was an accomplished fact. Although the F. N. Z. has always worked independently of the State, the Government of the Netherlands has always done its best to facilitate its work; above all, by the law of the 9th July, 1900, on the control of butter, the great severity of which has caused the suppression of the frauds that existed, and re-established the reputation of the Netherlands product, on the foreign markets. But although it is very certain that the honest butter producer has benefited by the legislation of 1889 (23rd June) and 1900, dealing with butter, it is no less certain that the laws were not able to put an end to the adulteration of butter, any more than were the laws in regard to margarine in other countries.

The result was:

1) the law of the 11th July, 1908, which amended and completed the abovementioned law of the 9th July, 1900;

2) the executive order of the 28th October, 1909, giving effect to the provisions, contained in the articles 2, 5, 8 and 19 of the said law of the 9th July, 1900;

3) the provisions referring to the certificate of origin, mentioned in the article 4 sub, and of the said order.

The law, amended and completed, came into force on the 1st January, 1910.

As a result, we have also in the Netherlands the foundation of institutions designated under the title of "Boter Contrôle Stations" (Butter Control Stations), the number of which, for the moment, is 11, corresponding generally to the eleven provinces.

Recognising the great importance of the control stations for the good reputation of the national butter on all the markets of the world, the Dutch Government has thought fit to give them an *official seal*, and, to ensure their maintenance, to assist them in money.

The State imposed the following *principal conditions* :

All the regulations of the Butter Control Station shall be so made that the supervision over the adherents *shall be, always and in every case, absolutely efficacious*;

the regulations shall recognise that the Government has all necessary power to exercise the same supervision as that which shall be exer-

cised by the Board of Management of the Station and, *in addition, that of controlling this Board itself;*

every regulation, therefore, shall be *submitted to the Government for its approval*

In virtue of what precedes, and as it is desirable that the greatest uniformity be obtained both in the manner of working of the control stations and in respect to the qualities required for the admission of members, the Government has thought fit to fix some general principles to which the text of the regulations of the butter control stations must conform.

They are quoted at pp. 34-35 of the above noted Report of the Board of Management of the Netherlands Agricultural Society, and it is well to observe that other States, for example, Ireland and Denmark, when in search of a system of guarantee for the quality of their butter, took the law of the Netherlands as basis for the laws they proposed to make.

The manufacture of an irreproachable and uniform product being assured and encouraged by such measures of the State, the industrial production of butter has almost doubled in the last ten years and this increase is due especially to the progress made by the co-operative dairies, as is shown in the following table:

*The quantity of milk treated by the co-operative dairies  
in millions of kilogrammes.*

Provinces	1901	1902	1903	1904	1905	1906	1907	1908	1909
Friesland .....	52	56	64	65	65	65	68	76	78
South Neerlande .....	140	142	146	149	150	155	151	147	217
Gelderland and Overijssel. .	25	26	28	35	37	38	39	39	43
North Brabant .....	130	131	130	122	120	116	109	109	..
Drenthe .....	33	39	40	42	41	47	45	38	21
Groningen .....	27	27	27	23	22	24	21	21	21
Total...	407	421	435	436	435	445	433	430	380

The following statistical table gives an exact idea of the progress of the movement in favour of federation among the co-operative dairies of the Netherlands.

*Number of associated factories.*

Provinces	1901	1902	1903	1904	1905	1906	1907	1908	1909
Friesland . . . . .	180	197	243	281	286	277	315	361	381
South Néerlande . . . . .	51	52	53	56	58	69	78	88	136
Gelderland and Overijssel . . . . .	44	53	56	70	72	78	97	113	130
North Brabant . . . . .	42	48	48	46	54	61	52	52	..
Drenthe . . . . .	32	40	43	47	46	48	55	69	47
Groningen . . . . .	17	21	24	22	23	25	29	36	35
Total . . . . .	366	411	467	522	521	558	626	719	729

The decrease beginning with 1906 is due to losses sustained by the Drenthe Association and to the dissolution of the Association of North Brabant. In spite of that, the quantity of milk treated has continually increased and in 1909 amounted to twice that of 1901.

The average increase in the quantity of milk consumed and treated in each factory is worth remark.

*Average quantity per factory.*

Provinces	1901	1909
Friesland . . . . .	3,400,000 kg.	4,900,000 kg.
Gelderland and Overijssel . . . . .	1,800,000 »	3,000,000 »
Drenthe . . . . .	1,000,000 »	2,200,000 »
Groningen . . . . .	600,000 »	1,700,000 »
South Néerlande . . . . .	300,000 »	600,000 »

The annual report of the Wirdum co-operative factory (Province of Friesland) shows:

*Increase of price of milk per 100 kg.*

1892-1900 . . . . .	florins 0.40
1901-1910 . . . . .	» 0.85
1892-1910	florins 1.25

which shows that in a period of 18 years there has been an increase of  $2\frac{1}{2}$  centimes per kg. of milk, to the farmers' advantage. A result con-



trary to that which was feared when it was thought that industrial production would reduce the price of milk.

As to the *butter markets* founded by the local federations, statistics of the most important market, that of Maastricht, founded in 1895, by the Federation of Manufacturers of Dairy Produce, shows the following progress:

Year	Butter sold in thousands of kg.	Total Amount in thousands of florins	Average price per kg. (florins)
1900 . . . . .	1,258	1,457	1.16
1901 . . . . .	1,455	1,759	1.20
1902 . . . . .	1,517	1,737	1.14
1903 . . . . .	1,518	1,796	1.18
1904 . . . . .	1,678	1,992	1.19
1905 . . . . .	1,866	2,216	1.24
1906 . . . . .	2,215	2,821	1.27
1907 . . . . .	2,561	3,188	1.25
1908 . . . . .	2,956	3,898	1.32
1909 . . . . .	4,078	5,383	1.30

The average price per kg. in 1909 was:

Name of Market	florins
Arnhem . . . . .	1.29
Leeuwarden . . . . .	1.29
's Hertogenbosch . . . . .	1.28
Meppel . . . . .	1.26

whence it results that the average price of the Maastricht market (1.30) is superior to that of the other markets.

These few figures suffice to show the progress of the co-operative dairies in the Netherlands, as it has manifested itself in the last ten years.

## II. — RECENT NEWS.

### Work of the Federations and Central Institutions of the Co-operative Societies and of the Large Agricultural Associations.

**The Meeting of the "Nederlandsche Boerenbond" (General Federation of Dutch Peasants - Utrecht).** — The newspaper, *Land en Vee*, of the 16th. December, 1910, informs us that the General Federation of Dutch Peasants held a meeting in which almost all the Provincial Unions (See *Bulletin* no. 2, pag. 163) joined.

Of the eleven provinces composing the Kingdom of the Netherlands, the eight following were represented: Noordbrabant, Limburg, Gelderland, Overijssel, Utrecht, North and South Holland and Zeeland. Amongst the subjects on the *agenda* of the assembly which concern us we must note the result of the discussion on the insurance against *accidents in labour* which has been organized by the Federation. It was established that one of the principal causes hindering its progress is the premium, which is far too high for the small farmers.

In order to obtain better results, efforts will be made by means of lectures and house to house visitation, to show the farmers the advantages that may be derived from the insurance; it has been, further, proposed to offer a premium for each insurance policy taken and finally to ask the Government to institute obligatory insurance. But some members have protested against this idea, giving as their reason that the Peasants' Association had no power to impose any constraint whatever upon its members. The complaint was again made at this meeting that the social legislation treats industry and agriculture in the same way and that in the law on insurance against accidents in agricultural labour it had been too much inspired by the law on industrial insurance: this complaint has, so to say, become chronic.

In the same meeting a certain dissatisfaction was expressed with the Utrecht Central Bank which has ceased to interest itself in the principles of the Peasants' Association; this decision will result, in fact, in the necessity of creating a new Bank for the provinces of Gelderland, Overijssel and Utrecht. The opinion was expressed that for the institution of this new Bank and for the Union of all the Banks in a great federation, the assis-

tance of the Central Bank of Eindhoven was absolutely necessary. However, a member of this Bank had just declared that he proposed to submit the question to the judgment of a Committee who should indicate the means necessary for re-establishing the union between the Banks and the Peasants' Association. The meeting accepted this provisional solution. It is observed with regret that the Federation itself (*Nederlandsche Boerenbond*) has lost much of its influence, from the time it united (five years ago) with the Farmers' Committee. This Committee had no great importance, notwithstanding the very large number of its members, and the Peasants' Association accomplished this union in the belief that it would increase its own influence, thanks to the numerical strength of the Committee. But, although the Government of the Netherlands often asks the opinion of the Committee, this opinion does not at all correspond with that of the majority formed by the Peasants' Provincial Association, because the Committee has modified its rules in such a way that this majority can not exercise any real influence.

For this reason the provincial associations of which the General Federation of the Dutch Peasants is composed, ask the Farmers' Committee once more to amend its rules, and if they do not succeed in persuading it to this, they propose to separate from the Committee and to found a General Association with credit banks and dairies, and to address their requests directly to the Government. A large Congress of the Association will be held next year at Nimeguen.

# CO-OPERATION AND ASSOCIATION

## RUSSIA.

### CURRENT QUESTIONS.

1. Measures proposed for the Regularisation of the Grain Trade, with the Assistance of the Zemstvo and the Agricultural Co-operative Societies.

#### Sources

##### a) *Official Publications*

*Izvestia*. Weekly Bulletin of the Ministry of Agriculture and Agricultural Organization.  
*Financial, Industrial and Commercial Messenger*. Weekly Publication of the Ministry of Finance. St. Petersburg.

*Official Messenger*. St. Petersburg.

##### b) *Other Publications*

A. MERKOULOW Report to the first Division of the St. Petersburg Free Economic Society.  
LEO IUROWSKY Des russische Getreideexport. Seine Entwicklung und Organisation, Stuttgart, 1910, pp. 196.

#### § 1. *Introduction.*

Contemporaneously with the great agricultural reform favouring the development of small landed property, the solution of another problem of high importance has come up for consideration in Russia.

This is, the Better Ordering of the production and export of cereals, which, in spite of a reasonable organization, are far from giving the national agriculture the benefits it should derive from them.

The matter has become specially urgent now that hundreds of thousands of peasants, who have become small proprietors, have had to enter into new financial engagements with the credit establishments, which have facil-

itated the acquisition of lands for them, and that it is henceforth particularly important for them to find as profitable a sale as possible for their produce.

From enquiries made on various occasions it has been ascertained that the export trade in Russian cereals, amounting annually to more than 500 millions of roubles (from 1,330 millions to 1,400 millions of francs), is almost exclusively concentrated in the hands of a certain number of foreign houses, whose agents, established in the Russian export cities, make periodical tours in the interior of the country and buy the goods on the spot.

The small farmer, being always anxious to sell, if only to pay off the debts contracted in the course of the year, the sales are effected, naturally, under the most disadvantageous conditions for the producer, who consigns the grain to the buyer without any sifting, and this contributes greatly to the depreciation of its value. Cases were frequent enough, up to quite recently, in certain provinces of the South, where the peasants, as they had not barns enough to store their produce in, were obliged to sell their grain, as soon as it was reaped.

It is thanks to the development, itself quite recent, of agricultural co-operation, that the evil of these hasty sales, has been, to a certain degree, arrested. A certain number of co-operative credit societies of the provinces of Kiew, Poltava, Kharkow, Ekaterinoslaw, Kherson and Samara, have, for example, started special corn warehouses.

These co-operative societies grant their members loans on the security of the grain supplied to the warehouse, and undertake the sale of the grain, first subjected to a scientific sifting, to the representatives of the export houses. The agents of foreign houses now address themselves in preference to these co-operative societies, because they are sure of receiving from them produce of good quality (1).

The co-operative societies of rural credit of the province of Ekaterinoslaw have succeeded in eliminating a large number of small speculators by opening these warehouses in which their members and even many peasants, not forming part of the association, come and deposit their produce. Some of these societies have now established direct relations with the foreign markets. Such, for example, is the case of the Agricultural Society of Podolia, which has started a co-operative warehouse for cereals at Odessa.

A series of other facts mentioned by the *Messenger des Finances* (2) incontestably provide evidence sufficiently eloquent that the co-opera

(1) *Co-operative Credit and its Importance for the Sale of Produce*, by M. P. LIASCHENKO.

(2) *Financial Messenger*, no. 12, of 3<sup>rd</sup> April, 1910, page 519. *Agricultural Credit in Russia*, by M. J. P.

tion idea is beginning to penetrate into the minds of the agricultural population.

A provincial Congress met last year in the province of Kherson, to discuss the question of a scientific organization of the sale of cereals and other agricultural produce by the co-operative societies. The provincial *zemstvo* (1), on the initiative of which the congress had been convoked, was commissioned to hasten the construction of warehouses for cereals in the various districts.

In the province of Kharkow, a great number of agricultural co-operative societies have united in a federation for the collective sale of produce. The co-operative warehouses grant loans to members up to the fourth of the value of the goods stored. The depositors pay the warehouse besides the interest on the loan received, calculated at the rate of 10 % per ann., a warehouse rent of  $\frac{1}{4}$  cop. (0.6 centime) per *poud* (16.16 kilos) per month.

Similar unions of small agricultural co-operative societies for collective sale of grain have been recently formed in the provinces of Tula, Kazan, Samara, Saratow, Simbirsk, Penza and Oufa. Several of these co-operative unions supply corn directly to the institutions of the State and of the *zemstvo*, as well as to foreign exporters.

The *Messenger des Finances* finds at the same time that the co-operative organizations will not be able to play a part, however insignificant, in the export trade of grain, until they are in a position to avail themselves of extensive credits from the various banking establishments.

These last, including the State Bank and railways (elevator service) grant loans on the security of grain, but these loans scarcely help agriculture. We do not possess precise data as to the loans of this character granted by the various private banks; it is notorious that these last only give credits on security of goods to merchants. As to the State Bank and the railways, it appears from the data provided by the *Messenger des Finances* that these loans, reaching on an average the amount of 832 millions of francs per year, have almost exclusively been granted on corn belonging to merchants; the farmers strictly speaking have really only received from 15 to 19 % of the total loans granted upon agricultural produce by the State Bank, and hardly  $\frac{1}{2}$  % of the loans granted upon the same ground by the railway.

(1) The provincial and district administrative institutions, with which the greater number of the provinces of European Russia are provided, are called by this name (*zemstvo*) in Russia. These institutions consist of elective assemblies in which the different classes of the rural population are represented. The permanent executive organ of these assemblies is the Delegation of the *Zemstvo* (*Zemskaja Oubrava*).

### § 2. *Proposals for the Regulation of Credit.*

Several proposals have been recently made for the organization of a service of loans on cereals for the greater profit of national agriculture.

M. Kariakine, deputy of the Imperial Duma, and president of the "revictualling" committee, as it is called, more than two years ago pleaded for the better ordering of the grain trade by means of the institution of great regional warehouses, in which to store the grain the State would buy on the spot, through the medium of responsible co-operative organizations (*artelles*). The supreme direction of these State warehouses would be entrusted to a central organ having its headquarters in St. Petersburg. From the writer's (very approximative) calculations, the organization of this service (Expenses of the initial establishment of the warehouses and cost of the grain bought) would require a grant of about a hundred million roubles (about 266 million francs) for the first year. This project, which we mention, simply by way of note, was not carried out (1). The same was the case with two other projects, one put forward by M. Vysokovitch tending to the monopolising, purely and simply, of the grain trade by the State, the other, M. Olive's, proposing to reserve to the institutions of the *zemstvo* the direct purchase of corn from the small farmers.

A fourth project, also set aside, came from Professor Migouline, who suggested the institution of a great bank, "to encourage the development of agricultural industries and of the grain trade."

According to the author of the scheme, this bank should have been entrusted with the construction of elevators for storage and sifting of corn, should have opened agencies abroad and at home for the purchase and sale of cereals and made advances to farmers and merchants on the security of agricultural produce etc.

It was only about the middle of last year that the question of the better ordering of the grain trade passed out of the domain of academic discussion in the direction of a practical solution.

### § 3. *The Agricultural Bank.*

The General Direction (Ministry) of Agriculture and Agricultural Organisation developed the scheme for the institution of an *agricultural bank* the operations of which should extend throughout the whole territory of the Empire.

(1) *Financial Messenger*, no. 4, of 6th February, 1910. *Co-operative Credit and its Importance for the Sale of Produce*, by M. P. LIASCHENKO.

This Agricultural Bank would grant loans: *a*) for every sort of agricultural improvement; *b*) to meet the expenses of the first establishment or the improvement of special industries coming within the domain of rural economy; *c*) for the organization and the implements of various establishments for the manipulation of agricultural produce; *d*) for the extension of systems of improved culture; *e*) for purchase of tools required in small industries (of the *koustari*); *f*) for the organization *and execution of special undertakings for the facilitation of the sale of their produce for the farmers*, as well as the purchase of materials and articles needed by them.

The system of Bank loans would extend alike to the independent farmers, to associations and to rural communes, and also, through the medium of the *zemstvo*, to institutions of agricultural credit and to Societies of Mutual Credit. As to what specially concerns the system of loans on guarantee of corn, with which the Agricultural Bank would be entrusted, this must be exclusively limited to corn which has not yet been offered for sale by the farmers (1).

The loans are guaranteed either by mortgage bonds on real estate or by an inventory of the personal estate, by National Debt Securities, or bills with at least two signatures, or by collective bonds of rural communes which have been included in the official report.

The Imperial Treasury furnishes the Bank with an endowment capital of 15 million roubles (39,900,000 francs). The Agricultural Bank is authorized to issue bonds similar to those issued (under form of *certificates*) by the Peasants' Bank for credit on land. The Agricultural Bank is authorized to accept deposits at interest.

To facilitate the sale of the obligations of the Bank, it is proposed to accept them at par in payment of customs dues and to recommend purchase of them to the Savings Banks and other public institutions.

The Bank would be independent, in the sense that it would have a Board of Management, entrusted with the general administration of its affairs. This Board of Management would be composed of functionaries delegated by the different public services concerned. The working of the Bank would be placed under the supreme direction of the Chief Clerk of the General Direction of Agriculture and Agricultural Organization.

Besides its ordinary operations, the Agricultural Bank would undertake a special service of loans at a low rate of interest for certain works of improvement, which, while not being sufficiently remunerative for the borrower, possess a character of *public utility*. For this service the Bank would have a special fund with which to meet eventual losses on this class of operations.

(1) Bulletin (*Izvestia*) of the General Management of Agriculture and Agricultural Organization, No. 5, of the 13th February, 1910, p. 111.



The loans on mortgage on fixed property would be granted for a maximum term of 30 years; the maximum term for the other loans would be 5 years.

As is seen, this Bank would have a very extensive mission and at the same time a very complex one, to fulfil; for it would be called upon to unite the duties of an institution for long credits on mortgage with those of an Agricultural Bank. Its object being "to render the national agriculture more productive generally", the Bank would have to come to the assistance of all landed proprietors without distinction, whether they have large or small farms, whether they are independent or associates of the co-operative societies.

To establish a permanent bond between the Banks and the small agricultural associations, the independent provincial and district (*zemstvo*) institutions would be made use of as intermediaries. The same principle having been adopted for the organization of the service of the *General Direction of Small Credit*, instituted six years ago, the two institutions will necessarily exhibit a common and mutually advantageous action.

The bill on the institution of the Agricultural Bank, before being approved by the Council and submitted to Parliament will certainly give rise to important discussions. We shall then have occasion to return to the subject.

#### § 4. Grain Warehouses.

Simultaneously with the question of the regularisation of credit on the security of cereals those of the carriage of grain, and of grain warehouses have been studied. Special commissions have been instituted for these studies at the Ministries of Commerce and Industry and of Lines of Communication. In the labours of these commissions there took part the employees of the Ministry of Finance and other public services concerned.

With regard to the great warehouses (elevators) to be constructed in the various ports, the problem has already been solved in principle by a recent decision of the Ministry of Commerce and Industry (Board of Mercantile Marine). According to this decision, elevators and large warehouses are to be constructed in the principal export centres (1).

As to the warehouses to be constructed in the regions of production, the Minister of Finance has recently submitted to the Council of Ministers a project, according to which the construction of these warehouses shall be entrusted to the State Bank, with the assistance of the local agricultural credit institutions (Co-operative societies and others).

(1) *Gazette du Commerce et de l'Industrie*, No. 252, of the 7th-20th November, 1910.

The Council of Ministers has recently approved (1) the following plan, elaborated by the Council of the State Bank: 1) to place on the estimates of the State Bank special allocations for elevators to be constructed directly by the Bank, and 2) the State Bank to furnish, under form of loans on *current account*, the small credit societies with the necessary funds for the construction of elevators of simplified type in the regions of grain production.

According to an estimate of the Ministry of Commerce and Industry, the projected construction of large elevators in the various centres of export will necessitate a total expenditure of 23,640,000 r. (62,882,400 francs).

As to the grain warehouses and elevators (co-operative and other) to be constructed in the regions of production, they cannot, naturally, be of uniform type, seeing that it will be necessary, in each special case, to consider the conditions of local character. However it be, it is calculated, according to the *Gazette of Commerce and Industry*, that the constructions of this class will cost approximately 46, at the maximum some 50 million roubles (about 130 million francs).

Thus we have for the construction of all the warehouses and elevators a total expenditure of about 85 million roubles, which would be distributed over the four or seven following financial years. For these constructions it is intended to employ the product (in money) of the tax of  $\frac{1}{3}$  copek per poud on the transport of goods by rail (from 65 to 70 million roubles). The rest of the funds necessary will be supplied by special allocations to the State Bank.

It is calculated that, thanks to this measure, the evils resulting from insufficient sifting of corn placed on the market will be eliminated.

The agricultural population begins itself to realise the great advantage of the warehouses provided with grain elevators. Some attempts in the use of elevators have already been made with complete success by several agricultural societies of the Southern Provinces.

Thus a co-operative association of the province of Samara, with headquarters at Alexéivka obtained, in 1904, from the State Bank, for the construction of a grain elevator, a loan of 17,000 roubles (45,220 francs) to be extinguished in 17 years by means of annual payments. Thanks to the construction of this elevator the farmers who store their grain there, obtain loans and are not obliged to sell in autumn, when prices are generally low. Besides, as the corn is submitted to a scientific sifting, it does not become depreciated as it used to formerly. The difference between the prices offered by the buyers in autumn and those obtained by the farmers in the following spring for the grain they sell exceeds on an average 30 %. The construction of the elevator has, besides, been of

(1) *Gazette du Commerce et de l'Industrie*, No. 284, of the 28th December, 1910.

advantage to the co-operative society in this sense, that not only do the receipts realised by the elevator suffice for payment of the annuities for extinguishing the debt to the State Bank, but they also give an annually increasing profit.

The example of the co-operative society of Alexéivka was duly appreciated by the regional congress of credit co-operative societies held at Samara in 1908. The Congress expressed its desire for the encouragement in every way of the construction of warehouses for grain and elevators for the use of the farmers. At the same time it recognised the necessity for the credit co-operative societies to unite in regional federations, in order to meet the expenses of the construction of such warehouses, the services of which should complete those of the railway elevators (1).

In a report presented on the 15th-28th October last to the first division of the Free Economic Society of St. Petersburg, M. A. Merkoulow showed that a certain number of co-operative warehouses for grain were at work in the province of Oufa. These warehouses, however, leave something to be desired from the point of view of their technical organization, and the co-operative societies to which they belong have only very limited resources at their disposal.

The abovementioned project of the Minister of Finance, to entrust the State Bank with the construction of warehouses provided with grain elevators in the regions of production, necessitating the allocation of a special credit, this question must also be submitted to Parliament. We shall take care to keep the readers of the *Bulletin* informed of the final decisions with regard to the matter.

(1) *Financial Messenger*, no. 35, of 11th September, 1910. *The first co-operative elevator in Russia*, by M. V. MOROZOW

## 2. The Progress of Co operation in Finland.

The *Bulletin (Izvestia)* of the General Management of Agriculture and Agricultural Organization (No. 1 of the 2nd January, 1911) finds that, thanks to the work of the Society *Pellervo*, which was founded in 1899, with a Government subvention, co-operation in Finland has made remarkable progress of recent years. The object of the Society in question is generally, to favour the advance of agricultural co-operation under its different forms, (production, credit, distribution). In the year 1907, there were 287 co-operative butter factories (29,000 members) in Finland, which had been constituted under the auspices of the Society *Pellervo*. Adding to these the other co-operative societies (for credit and distribution), we obtain, for the beginning of 1907, a total of 696 co-operative societies, counting in all 51,494 members. The *Pellervo* Society afterwards applied itself to the organization of co-operative federations by the institution of central societies. The *Bulletin* does not supply statistical data with regard to these societies. Last year, the *Pellervo* society began special courses of instruction in co operation at Fusula, 35 kilometres from Helsingfors. As audience are admitted the members of the boards of management of the co-operative societies, book-keepers, managers of butter factories, and, generally, persons desirous of taking active part in co-operation. The courses take place in Summer: they are daily (from 7 in the morning to 7 in the evening) and consist of 4 divisions (*a*) general division, on the historical development of co-operation, legislation, civil procedure, etc.; (*b*) special credit division; (*c*) special butter making division and (*d*) division of distributive co-operative societies. The attendants at last years' course were in number about 100. These courses offer those attending them the opportunity of exchanging opinions and of communicating to each other useful advice relative to the advance of co-operation.



# CO-OPERATION AND ASSOCIATION

## SWEDEN.

### I. -- CURRENT QUESTIONS.

#### 1. The Establishment of a Loan Fund for the Swedish Co-operative Dairies.

##### Sources:

Nordiskt Mejeritidning, Nos 43, 44, 46, 47. Stockholm, October-December, 1910.

The question of the establishment of a State Loan Fund in favour of the dairies, has been raised by Dr. P. Hellström (of Luleå), who first presented a motion on the subject at the meeting held by the Swedish Chamber of Agriculture in the month of November, 1910.

In his proposal he described the conditions of Finland in this respect; in fact, in that country, in 1904, a loan fund of 2 million Finland marks was established; the rate of interest on these loans is 4 per cent; they are repayable in ten years. The fund has largely contributed to the rapid development of dairies in Finland.

On the other hand, their development in Sweden still leaves much to be desired, and the discussion with regard to this, in the last numbers of the paper named above show that there is complete agreement, among writers of incontestable competence as to the desirability of establishing also in Sweden a loan fund to contribute to the improvement of the present conditions and to give a powerful impulse to the butter industry.

The consular agent of the Swedish dairies, M. Hjorth, in an article in the journal above referred to (4th November), affirms that if it were possible to obtain loans under favourable conditions, in the localities, where *things are ripe for it*, for example, a State loan fund established for this end, we should at once see co-operative dairies started, to the great advantage of the State and of private individuals, because it is the want of

disposable money which alone has hindered anything of the kind being as yet undertaken in those localities. The creation of a fund of this character would be a vigorous stimulant, thanks to the authority which the power of the State always enjoys in the country. If the Chamber could, for this purpose, arrange that a million of crowns be set apart, to be granted as loans upon suitable security, at a moderate rate of interest, and repayable in ten years, it would be doing much more for healthy economic progress than with all the small subventions, which - scattered here and there - fail to succeed in their intended aim.

This opinion has been reinforced with the approbation of the consular agent of Swedish Agriculture in London, M. F. Bagge, who, in a number of the *Svenska Dagbladet*, quoted in the 46th number of the *Nordisk Mejeritidning*, refers to the interesting article of M. Hjorth, signalling its great importance. He adds that these loans should, in the first place, go to assist the Northern parts of Sweden (province of Norrland), but he thinks that the other regions of the country would also see with a favourable eye the institution of a loan fund for the co-operative dairies. If, thanks to this fund, *Norrland* could succeed in supplying the quantity of butter sufficient for the Northern part of Sweden, the export of Swedish butter to England could be increased. An increase of 5 millions of kilogrammes in the butter exported from Sweden to England would greatly improve, according to M. Bagge, the conditions of the Swedish butter market in this latter country (1). For this reason, he warmly recommends M. Hellström's motion mentioned by us at the beginning of this Article.

This motion was discussed at the meeting of the Chamber of Agriculture on the 18th November. Relative to the matter, a Commission had written to His Majesty the King, exhorting him graciously, in accordance with the decision of the Chamber, to institute a loan fund from which loans could be obtained for co-operative dairies at a suitable rate, and under suitable conditions for repayment. The Commission made request, supported by reasons, that this fund should be 500,000 crowns and that the loans might be extinguished by annual payments in 15 years. The motion of the Commission was approved after some discussion, all the speakers being favourable to it.

We may then reasonably expect, that a sum for the realisation of these desires, will, in the near future, be placed on the Swedish Agricultural Estimates: we shall keep our readers informed upon this matter, so highly important for the Swedish dairy industry.

(1) M. Bagge's idea seems to be that, thanks to this increase, it would be possible to create in England a market for Swedish butter of such proportions as to render it independent of that of the other countries exporting the same article.

## 2. The Question of Credit for Small Farmers, in Sweden.

The Department of Agriculture has lately proposed the creation of Agricultural credit associations; the State Postal savings Banks should furnish these associations with the funds necessary for according agricultural loans to their members. The fundamental bases of the proposition are as follows.

The association willing to serve as intermediary for agricultural loans must be constituted in accordance with the laws in force on associations without personal liability, and its action must embrace a territory of definite limits; the extent of this territory must be such as to make it possible for the members to know each others' economic resources, however, it must always include one or more parishes. The number of members of any of these associations must not be less than fifty.

The right of members to loans shall be fixed more precisely by the Board of Management of the Association, but it may not exceed 50 crowns for each unit of loan value (*långvärdeenhets*). This unit of value is calculated according to the number of hectares of land cultivated by a member of the association.

It must be further observed that nobody can obtain the right of loan for an area of land greater than that he cultivates himself in the district of the action of the association, and that, in no case can any one obtain right of loan for cultivated fields of an area exceeding 50 hectares or for a similar larger area corresponding to 1/10th. of the total area of all the members united.

Each member, on entry into the association, shall, as guarantee, give a bond, by which he shall accept liability with regard to the engagements of the Society itself, to the extent of a sum equal to that he may obtain as loan from the Society.

If, at the end of the year, there is a loss in the accounts of the association, this loss must be made up immediately by all the members, jointly or severally, each in proportion to his share in the society: however, if in the reserve fund there are more than 10 crowns per each hectare of cultivated land, of which the members of the association are co-proprietors, the excess so constituted shall serve, in the first place, to cover the loss sustained.

Each member shall pay to the association a subscription of 50 öre, (0.70 c.) at least, and 1 crown (about 1 fr. 40 c.) at most, per hectare of land cultivated for which he would acquire a right to a loan, in accordance



with the provisions to be more precisely laid down in the rules of the association.

The Board of Management of the Association shall grant the loans, fixing the rate of interest for them which, however, may not exceed by more than 1 per cent the rate of interest due to the State for the loan itself. The Agricultural loans may be granted for three different purposes, that is to say:

1) for permanent reclaiming of lands, and for improvement, also of a permanent character, of the houses or establishments on which the economic reserve of the property is employed;

2) for acquisition of breeding stock and agricultural machines of a price relatively high in proportion to the importance of the farm;

3) for paying for the manure necessary for the property, on condition that the purchase be made through an association, the organization of which guarantees that the material supplied is of the first quality, and also on condition that these purchases be made for personal use and not with the intention of re-selling.

The bill contemplates a maximum vote of ten million crowns for loans in favour of the association.

(Summarised from ROHTIENB, in the 11th. Number, 1910 of "Ekonisk Tidsskrift", Stockholm).

# **CO-OPERATION AND ASSOCIATION**

## **II. - BIBLIOGRAPHY.**



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Neuwieder Raiffeisenkalender, 1911. Herausgegeben vom Generalverbande ländlicher Genossenschaften für Deutschland, e. V. in Berlin. Preis 50 pfs. (*Neuwied Raiffeisen Calendar, 1911. Published by the German National Federation of Agricultural Co-operative Societies, Berlin. Price 50 pfs*).

This Calendar, a volume of 120 pages, contains, as usual, a quantity of interesting and instructive information. Every year more than 30,000 copies of it are printed, which shows the credit the publication enjoys.

Genossenschaftenkalender des Bayerischen Landesverbandes für 1911. Herausgegeben von Monsignore C. W. Kaiser. 60 Seiten. Preis 35 pfs. Verlag Mainz-Regensburg (*Calendar of the Agricultural Federation of the Bavarian Co-operative Societies, 1911. Published by Mgr. C. W. Kaiser. Pp. 60. Price 35 pfs. Mayence-Ratisbon*).

The Calendar contains very interesting information upon the Bavarian Co-operative Societies, on their legal situation and their organization, as well as a report upon the book-keeping courses of the Bavarian Agricultural Federation and a number of instructive and interesting data.

Der Verband der Schleswig-holsteinischen landwirtschaftlichen Genossenschaften, eingetragener Verein, zu Kiel und seine Einrichtungen (*The Schleswig-Holstein Federation of Agricultural Co-operative Societies (Registered Association) at Kiel and its Institutions*).

This publication of 16 pages exhibits the Organization of the Kiel Federation. It is an excellent source of information for its affiliated co-operative societies and their members in all that concerns the condition and working of agricultural co-operation in the province of Schleswig-Holstein.

CARL PENTHER: Die Generalversammlung der eingetragenen Genossenschaft nach Gesetz und Statut. Herausgegeben von dem Verbands der landwirtschaftlichen Genossenschaften für die Provinz Posen. 23 Seiten, 1910 (*The General Meeting of Registered Co-operative Societies, according to the Laws and Regulations. Published by the Federation of Co-operative Societies for the Province of Posen Pp. 23. 1910*).

This publication reproduces in clear and concise form all the provisions of the law and the regulations to be observed in order that the general meeting may be recognised as legally constituted.

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Dr. W. PIEPER: Produktionsbedingungen von Genossenschaftsmolkereien. Landw. Abhandlungen des Instituts für exakte Wirtschaftsforschung. 3. Heft (*The Conditions of Production for the Dairy Co-operative Societies. Published in the "Landw. Abhandlungen des Instituts für exakte Wirtschaftsforschung". Agricultural Treatises published by the Institute of Economic Research*). 3 Parts. Berlin, 1910. Paul Parey.

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PART II.

**INSURANCE.**



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# **INSURANCE**

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## **I. -- INTRODUCTION.**



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# INSURANCE

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## SUMMARY OF THE PRESENT CONDITION OF AGRICULTURAL INSURANCE IN CERTAIN COUNTRIES.

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## 2. Summary of the Present Situation of Agricultural Insurance Societies in Certain Countries.

### *End and Object of the Present Summary.*

In the present number of the Bulletin we shall for the first time deal with Agricultural Insurance Societies, under all the forms they may assume, and the reader will be informed as to recent and important occurrences in this connection in the different countries. Before attempting this task, it will not be superfluous, in our opinion to give a rapid glance at the present situation of the agricultural insurance societies in certain countries that may be regarded as typical in this respect. The precise purpose of the present synthesis is to remind our reader of the principal legislative provisions governing the societies insuring against agricultural risks, and the general lines of the organizations of undertakings for this end, and at the same time to supply the most recent statistical data to show the degree of development attained by the insurance societies in question. Consistently with the object it proposes to itself, this summary makes no pretension to develop the theme in all its details, nor to present the subject under an original form: it does not aspire to be anything more than a succinct *résumé* of information that already forms part of the intellectual attainment of everybody at all conversant with the phenomena of insurance against agricultural risks, so as to put all our readers in a position to interpret correctly, by the help of the information indispensable for the purpose, the facts that in subsequent numbers of the Bulletin, will be put before them under the form of articles on current questions or as simple news.

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It is usual to reckon as typical agricultural insurance societies, the societies for agricultural fire insurance, for insurance against hail and for cattle insurance. Recently another class of insurance societies has been acquiring more and more right to be considered together with the above mentioned, namely, those for the insurance of persons engaged in agricultural work. The legislation of several countries shows an evident tendency

to let the responsibility of the risks, to which the persons engaged in farm-work are exposed, fall on the employers, in the same way as has already been done in greater or less degree in the case of manufacturing labour. Accidents in labour, sickness of agricultural labourers, infirmity and old age are new risks imposed by law on agricultural employers, or spontaneously assumed by them; hence the need, ever more urgent, for employers to insure against the risks, even if not compelled by the law, in order that these risks may become less of a burden. For these reasons, then, together with insurance against fire and hail, and cattle insurance, we shall also deal with the insurance of persons occupied in agricultural labour.

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In the case of all the countries we deal with in the following pages, it has been necessary to have recourse both to non-official and to official sources, if these latter existed, in order to show with greater completeness the present position of the agricultural insurance societies. Naturally, when official authorities were at our disposal, these provided us with the most precious material for our work, while the others merely played a subsidiary and complementary part. But in the case of certain countries, unfortunately, there are no official authorities obtainable, the State not publishing periodical statistics of the insurance societies: if these countries presented any special interest, we did not suffer ourselves to be deterred by this difficulty and we took the data we had need of from non-official publications, although aware that these data could only claim to be approximative.

### § 1. *Agricultural Fire Insurance.*

It would not be possible in the present condition of agricultural statistics to calculate, even approximately, the degree to which farmers are insured against fire.

In all countries, even if agricultural fire insurance forms the object of special enterprise, the societies for fire insurance in general, whether societies limited by shares or mutual, absorb a part of the total agricultural risks insured. As these societies, in the data they publish, do not distinguish between urban and rural risks, it becomes quite impossible to judge of the importance that agricultural insurance may have attained in this or that country. We have then to limit ourselves to indicating the work of those bodies which have agricultural fire insurance for their special and exclusive object.

The farmers' associations have, in many countries, entered into agreement with the ordinary fire insurance societies, with the view of obtaining

reductions on the rates of premiums for their members and of saving them, in any case, the expenses connected with the policy and the expenses of intermediaries. The Belgian associations especially distinguish themselves in this line: a single large association, the *Boerenbond Belge*, in 1908, obtained a reduction of from 30 to 40 % on the ordinary rate of premiums in favour of 17,504 policies insuring a total value of 119,179,050 francs.

The French agricultural syndicates also exert themselves extensively and efficaciously in the same direction, sometimes assuming the functions of real insurance agencies.

But in some countries special societies have been formed for Agricultural Fire Insurance. These are, for the most part small local mutual societies, with regard to which statistical data are wanting.

It is calculated that in Italy there are nearly 400 of these small mutual societies, and the principal centre in which they are found is the Province of Alessandria. France shows a much larger number of local mutual agricultural fire insurance societies: they have progressed greatly in consequence of the law of the 4th July, 1900, exempting from all stamp and registration duties, as well as from the formalities prescribed by the law of 24th July, 1867, and the decree of 28th July, 1868, the mutual agricultural insurance societies managed and administered gratuitously and not aiming at making any profits. The subventions granted by the State to societies in course of formation and to those the working of which might be compromised by unusual losses have not been without their influence in the development of the French mutual agricultural fire insurance societies. In 1905, these subventions reached the total sum of 1,200,000 frs. Thus, the agricultural mutual fire insurance societies, almost negligible in number before 1903, on the 30th September, 1910, amounted to 2,187 with 89,955 members and an insured capital valued at 1,044,376,753 frs., of which 508,374,563 frs. effectively insured. The work of the local associations finds its complement in the regional reinsurance unions, which, on the 30th September, 1910, numbered 26, united 2,096 local societies and effectively reinsured a capital of 311,819,433 frs. French agricultural mutual fire insurance has reached a still higher degree of technical perfection, since two of the 26 reinsurance societies existing on the 30th September, 1910, have been organized for insurance in the third degree (1).

In England there is also a limited society, the exclusive object of which is agricultural insurance. It was founded under the title of *The Agricultural and General Co-operative Society, Ltd.*, for the exercise

(1) See with regard to this, the article published in the present Bulletin: « The Agricultural Associations and the Agricultural Estimates. The Agricultural Mutual Insurance Societies and the Central Reinsurance Society ».



of every kind of agricultural insurance: however, its principal operations, hitherto, have been in connection with agricultural fire insurance. The said society has business relations chiefly with the societies affiliated to the *Agricultural Organization Society* and with associations of the same class. Naturally, only a section of the English farmers are insured against fire in this society.

The indications just given relative to fire insurance in the domain of agriculture are fragmentary enough. We cannot even show what proportion of agricultural fire risks has been insured in different countries. The reasons set forth at the beginning of this section, and, above all, the impossibility of distinguishing between urban and rural risks in the operations of the ordinary fire insurance societies, sufficiently explain its incompleteness and hesitations.

## § 2 *Insurance Against Hail.*

Insurance against hail made great advances in the last part of the nineteenth century and this has been continued up to the present date.

Whilst, at the beginning of that century, in most countries, after violent hailstorms, it was still necessary for the farmers to have recourse to begging or to appeal to charity, everywhere now there are numerous insurance societies through the activity of which thousands of farmers are profiting.

Hail does not always strike the same places with equal frequency; so, as no one knows on what lands or what crops the blow may fall, one of the essential conditions for every kind of insurance is realised; that is, the uncertain character of the danger to be guarded against.

Further, that the damage occurs is absolutely independent of the will of the insured; the possibility of fraud or of abuse to the detriment of the insurer is therefore, in that way excluded, and this circumstance greatly facilitates the calculation of the premiums necessary for compensation for losses.

In the third place, it is well known that all attempts that have been made up to the present to avert the danger, and to prevent the formation of hail, have been recognised by science as ineffective, or have not been tried often enough for their efficacy to be guaranteed.

Finally, there is another reason to explain the great progress made by this form of insurance: the seriousness and the extent of the damage produced by hail.

The year 1908, for example, was disastrous not only for the French, but also for the Swiss, Austrian and German farmers.

In a few moments, the harvest of a whole region may be completely destroyed; it is enough to remember that on the banks of the Rhone, in

the South of France, the annual average loss caused by hail is about seven millions of francs.

The object of the insurance society is to raise the farmer from his present uncertain and precarious position by guaranteeing him that if the disaster occurs just when the crops are on the point of reaching maturity, he will escape poverty, and, at any rate, ruin, by the receipt of their equivalent in cash.

The process employed for the attainment of this end is very simple. It consists in a yearly collection by the Insurance Societies of contributions or premiums from all the farmers exposed to the risk of damage from hail, to be afterwards apportioned among the farmers suffering by the disaster.

The calculation of the premiums is generally based upon two fundamental points: the frequency of hail in a certain locality, and the more or less susceptibility to damage on the part of the crops cultivated.

So every insurance society must possess precise statistics as to the frequency and the intensity of the hail, as well as to the amount of economic damage caused by it in the different regions.

A few figures will be enough to show that the farmers have had no difficulty in understanding the great advantages to be derived from this form of insurance. The following table clearly shows the progress made by it in the principal countries from 1879 to 1909:

*Work of the Insurance Societies 1879-1909 (1).*

States	1879			1889			1899			1909		
	Numbers of Members	Premium Income	Compensation Paid	Numbers of Members	Premium Income	Compensation Paid	Numbers of Members	Premium Income	Compensation Paid	Numbers of Members	Premium Income	Compensation Paid
Germany.....	22	11,613,288	7,284,627	24	20,197,000	18,256,243	23	26,880,000	20,919,000	19	33,182,468	18,387,495
Austria-Hungary.	14	9,473,000	4,541,000	15	10,199,880	7,582,081	18	12,492,611	5,940,501	18	17,420,283	11,605,447
France.....	14	8,814,942 <sup>(4)</sup>		20	7,476,196	4,072,483	20	8,737,095	6,498,150	<sup>(2)</sup> 19	10,432,995	4,780,424
Italy.....	1	1,921,075 <sup>(4)</sup>		5	2,964,636	3,731,461	16	10,392,834	6,716,353	19	20,262,724	13,564,595
Switzerland....	1	104,216 <sup>(4)</sup>	244,944	1	120,943	137,663	1	723,632	105,060	<sup>(3)</sup> 2	1,076,606	956,222

(1) According to the Assekuranz Jahrbuch 1879-1911

(2) Not including the local agricultural mutual societies, subventioned by the State. The were 24 in number on the 30th September 1910, included almost 40,000 members and insured a capital of 28,159,854 francs

(3) The data for Switzerland refer to 1908, in 1909 the Swiss Society for Insurance against hail alone had collected a total of 1,081,494 frs as premiums and reported a total of disasters to the amount of 310,007 frs. The other society "Paragrêve" was founded in 1875, but we have only data for 1908

(4) The data refer to the year 1880

The rapid progress of this form of insurance may be attributed to two principal causes: the very active competition between the two kinds of organization, insurance companies limited by shares, and mutual societies, and the encouragements on the part of the State.

With few exceptions (for example, *Switzerland* and *Sweden*), the business of insurance against hail is carried on in most countries both by companies limited by shares and by mutual societies; and the competition between them can not fail to be advantageous for the farmers.

The coexistence of two classes of societies may often have as a consequence, not merely a reduction of the premiums, but also a greater diffusion of the technical methods most indicated for carrying on successfully a business of insurance against hail.

Thus, for example, the earliest mutual societies had adopted the system of assessment, that is to say, the sum necessary for compensating losses was shared among the insured at the end of the year, in proportion to the premiums paid. But this system gives rise to many difficulties. The farmer cannot calculate in advance the cost of his insurance, and if his harvest is preserved intact he does not readily agree to pay premiums when the danger is over.

On the other hand, the societies limited by shares have had the merit of popularising the system of fixed premiums among the farmers; all who are exposed to the danger pay a certain premium in anticipation of the disaster. The insured party immediately acquires the right to be compensated in case of loss. However, the insurance companies do not always compensate entirely for the loss sustained: in the worst years, it happens that the reserve fund and the guarantee are together insufficient for compensation of the losses; the compensations are in such case reduced, which means that the insured themselves must bear a portion of the loss.

However it may be, in face of the competition of the insurance companies, the mutual societies were obliged to adopt another system which is now the most in favour in Germany. This system consists in the payment of a provisional premium at the beginning of the financial year, calculating it upon the average frequency of hailstorms, the society reserving the right to exact from its members the payment of a supplementary contribution in case of exceptional disaster.

Each of these forms of organization has its advantages and its inconveniences. We shall content ourselves with indicating the amount of capital insured by the limited companies or by the mutual societies in different countries. However, in *Switzerland*, *Sweden* and *Russia* the mutual form absolutely predominates over the other; in the *Argentine*, in *England* and in *Roumania*, the insurance companies limited by shares are the most numerous.

Year to which the data refer	State	Insurance Companies limited by Shares			Mutual Insurance Societies		
		Number	Insured capital	Premiums paid in the year	Number	Insured capital	Premiums paid in the year
1909.....	Germany	5	940,986,779	10,738,399 00	14	2,101,915,189. 00	22,444,069. 00
1909.....	Austria Hungary	10	758,287,180	15,058,197. 00	8	181,310,528. 00	2,362,086 00
1909.....	Belgium	3	..	.	4	.	..
1909.....	France..	4	377,270,606	5,320,490. 00	15	502,849,333. 00 <sup>(1)</sup>	5,112,505. 00
1907.....	Italy	5	133,250,906	6,738,422. 00	15	193,255,515. 00	9,489,834. 00
1908.....	Holland.	2	2,753,072	.	9	12,145,774 00	..
1908.....	Switzerland..	..	.	.	2	64,974,143 00	1,076,606 00
1909.....	Russia	..	..	.	2	..	442,128. 75
1908.....	Sweden ..	.	..	.. <sup>(2)</sup>	7	53,153,680. 70	234,355. 64
1908.....	Denmark ..	1	94,329,790	104,710 23	3	47,500,000 00 <sup>(3)</sup>	.
1909.....	Roumania	4	152,427,484 <sup>(4)</sup>	4,869,849. 00	.	..	.

(1) Not including the local mutual societies.

(2) Including capital insured and premiums paid in the "fire" department

(3) These data refer only to the "Hagelskadeforsikrings Nørryland".

(4) Not including the statistics of the society "Dacia Romania".

These data refer to 1909 (according to the "Assicurazioni Kompas")

In England the business of insurance against hail is not a special enterprise; the fire insurance companies also insure farmers against hail. There are no mutual societies of this kind in that country and statistical data as to the operations of the limited liability companies are wanting.

In the Argentine also we only know of the existence of companies limited by shares. In 1909, there were four, and one of them, the *Rural* of Buenos Ayres, alone, on the 30<sup>th</sup> June, 1910, was insuring to the amount of 35,324,928.19 pesos.

On the other hand, the form of mutual insurance appears to be the most frequent in Canada and the United States. In 1908, two large mutual societies of Manitoba insured a capital of 3,111,612 dollars, and collected 102,970 dollars in premiums. We have no figures for the United States. We only know, that, in 1908, there were about 2,000 local mutual insurance societies, occupying themselves both with fire insurance and insurance against hail.

In Norway, in 1908, there was no insurance society for this class of risk, although hail falls there often enough to make them consider about insuring against losses by it. The Norwegian Minister of Agriculture attributes the absence of such societies to the very limited extent to which cereals are cultivated.

In Spain and Portugal the damage done by hail is of less importance than in other countries. So we have only notice of the existence of two Spanish mutual societies concerned with this class of insurance: the *Austria y Hungría*, the headquarters of which are at Madrid and the *Proteccion de la Agricultura Espanola* with headquarters at Guadalajara.

In Bulgaria and in Servia, insurance against hail is arranged for by the State: it is obligatory for all farmers. This form of organization also deserves special attention.

Obligatory insurance was established in Bulgaria by law of the 30<sup>th</sup> December, 1895: the owners of wooded lands, pasture grounds and tobacco plantations alone excepted, all farmers are obliged to pay a maximum supplement of 5 % in addition to the land tax, for the insurance of their crops against hail. If the premiums collected do not suffice for the compensation of losses, the compensation is reduced in proportion to the amount of the premiums received; if, on the other hand, the amount of loss is less than the total of the premiums, the excess is put to the reserve fund.

The estimation of damage done is made by a commission consisting of an expert scientific agriculturist, the mayor of the commune and an employer in the department of direct taxation. A special division for insurance alone has been formed in the Ministry of Agriculture. The State paid an annual contribution of 500,000 francs to the insurance fund from 1896 to 1903. The premiums collected amounted to 2,560,371 frs.;

the State contribution to 4,000,000 frs., and the damage compensated to 10,636,273 frs.

In Servia, the law of the 15<sup>th</sup> November, 1905, created a special insurance bank with initial capital of 1,000,000 francs. It is not only the farmers who are exposed to risks from hail who are obliged to pay insurance premiums, but all who pay direct taxes.

For this purpose 16 rates of premiums have been established; the lowest contribution is 20 centimes a year for those who pay 10 francs in taxes; the highest contribution is 20 francs for those who pay 1,000 francs or more in taxes. Kitchen gardens and vineyards as yet producing nothing, lands in the immediate neighbourhood of towns as well as lands belonging to the State or to local authorities are alone exempt from obligatory insurance.

Not only in Servia and Bulgaria, in most other countries, the Government has endeavoured to encourage the development of this form of insurance. For the attainment of this object Germany, Austria and Switzerland pursue a course that is almost identical. We may say with certainty that the measures adopted by these Governments can be summarised under the three following heads: 1) the creation of certain State offices charged with the control of the insurance societies; 2) the establishment of absolute rules with regard to insurance contracts in order to safeguard the farmers' interests and to hinder the abuses of societies that offer little guarantee, and, consequently, to increase the confidence of the public in insurance generally; 3) the grant of subventions or the creation of state institutions to compete with the private insurance societies in their undertakings, only in case the said private societies are incapable of covering the risks in a given district.

Thus, Germany, by the law of the 12<sup>th</sup> May, 1901, placed all private insurance societies, except the local mutual societies, under the supervision of a State Office. Before commencing operations, every new society must apply to the Imperial Supervision Office for authorization, and this authorization is only given after the examination of the Society's rules, its programme of work and the general conditions of insurance it proposes to offer. For the introduction of any change whatever in the business programme, the previous consent of this State Office is necessary. The Office has the right to examine into the way the society is working, whenever it thinks fit.

The law of the 30<sup>th</sup> May, 1908, on insurance contracts is equally important for the development of insurance against hail. Chapter III of the second division of the law especially deals with this form of insurance. It establishes absolutely that the insured party is granted at least a term of four days in which to declare his loss to the insurer; yet while the

valuation of the damage is still undetermined, the farmer may only carry out such works as, according to the rules of current agricultural economics, can not be deferred. The farmer has always the right to be present at the valuation of the loss; he has also the right to protest against it and to appeal against it in the courts if he judges that it injures his interests and does not correspond to the truth.

But even before the promulgation of these laws, the different Governments of certain South German States, where hail falls frequently and with violence, had sought in different ways to encourage the spread of this form of insurance.

Thus, in Bavaria, the law of the 13th. February, 1884, had founded a State Institution, on mutual principles, and subventioned by the Government, to exercise insurance business in competition with the private societies. This Institute has an initial capital of a million, the interest of which goes to increase the reserve fund. In 1904, this reserve fund was increased by 1,500,000 marks. In addition, the Institute receives from the Government an annual contribution of 200,000 marks. In 1908, it was calculated that a third part at least of the whole corn production of the Kingdom of Bavaria was insured by the Bavarian Institute. The following figures clearly show the results obtained by the Institute:

Year	Number of the insured	Capital insured		Premium	Compensations		Reserve fund
		total	per each member		in marks	in % of loss	
1884.	7,375	11,140,235	1,511	141,086	74,289	100	165,603
1909	163,774	267,560,620	1,634	4,721,935	3,210,000	100	8,536,853

The Governments of the Grand Duchy of Baden, of Wurtemberg, of Alsace Lorraine, and of the Grand Duchy of Hesse have, on the other hand, preferred to contract with the great private insurance societies, obliging them to accept risks in the districts suffering most from hail, but guaranteeing them, in compensation, annual subventions. These subventions have been fixed at a definite sum 100,000 marks, for example, in the Grand Duchy of Baden, 200,000 marks in Würtemberg; but only to be granted if the amount of premiums collected by the society is insufficient to pay the compensations. In that case they serve to make up the deficit produced.

Finally, we should mention that the *Deutscher Landwirtschaftsrat* and the *Landwirtschaftskammern* contribute much to the extension of insurance



against hail throughout all Germany. Thus, in its session of 1909, the Imperial Board of Agriculture sought out the most suitable means for the improvement of the methods followed by the German insurance societies in valuation of losses, and the Chambers of Agriculture, in their turn, seek to extend the habit of what is called collective insurance among the farmers. Insurance is said to be collective when several farmers of the same locality insure in the same society, taking together a single policy. They thus succeed in paying a lower price per premium. In 1908, of an insured capital of about 2,949,566 million marks, about 168,279 millions were derived from collective insurance policies and the farmers insured in this way numbered 188,889.

In Austria, nearly the same system has been followed. The *Assekuranzregulativ* of the 5th. March, 1896, founded an office of supervision, at the I. R. Ministry of the Interior, for all private insurance societies working in the Monarchy. And at the present moment a Parliamentary Committee is studying a bill dealing with insurance contracts. Chapter III of the 2nd division of this bill is especially concerned with insurance against hail. The right of each of the contracting parties to demand that the valuation of the damage be deferred until the time of harvest, is sanctioned therein, for it is only at that date that the damage sustained can be exactly calculated. Further, as in the German law, it is established that the parties cannot denounce the end of the contract within the normal term of a month, but they must be considered as bound for the whole period of insurance in course, that is to say, until the end of the agricultural year. In this way, the farmers are sure, that, once the contract signed, even if the hail fall frequently, the insurance society is bound to give them compensation.

In Austria, also, the hail varies in frequency from region to region, and in certain places, the damage produced by it is so great that the authorities have judged fit to found insurance institutes to compete with the private societies. Thus, in Lower Austria, an order dated 17th April, 1899, created the *Nieder Oesterreichs-Landes Versicherungs Anstalt*, governed by mutual principles, and in its general lines administered similarly to the Bavarian Institute. It benefits by an annual subvention of 80,000 crowns, and in case of exceptional losses, the law guarantees it a supplementary credit of 200,000 crowns under the form of a loan, to be repaid without interest. In 1909, the capital insured by this establishment amounted to 16,464,856 crowns, the premiums collected to 347,296 crowns, the compensations paid to 386,169 cr.

Finally, Switzerland follows the same principles as Germany and Austria. The federal law of the 25th June, 1885 already laid down that all private insurance societies, working in Switzerland, should be placed under the supervision of a State Department, with the exception of associations of local character. Further, the law of the 22nd December, 1893,

on the improvement of agriculture by the Confederation, declares in article 93, that the Confederation further shall support with its subsidies the efforts of the Cantons in favour of cattle insurance and insurance against hail.

And in the second paragraph of the same article, there is added :

The sums allocated yearly by the Confederation to insurance against hail shall be set apart as subsidies to the cantons facilitating and encouraging this insurance :

- a) by paying the expenses of the insurance policy ;
- b) contributing to the payment of premiums ;
- c) constituting a reserve fund.

Yet the Confederation subsidy in behalf of insurance against hail (as in the case of cattle insurance) is never to exceed the amount set apart by the Canton for the same purpose. (See also art. 76 of the executive regulation for this law).

In 1908, almost all the policies of two insurance societies, that were working in Switzerland, profited by the cantonal and federal subsidies. In the same year the Swiss Cantons spent a total sum of 374,388 frs. in the encouragement of this insurance; the subsidies from the Confederation amount to half the canton expenses, or to 187,194 frs.

Lastly, the law of the 2nd April, 1908 upon insurance contracts, in operation since the 1st of January, 1910, in articles 64 and 67, expressly refers to insurance against hail. Art. 67 establishes that " in case of partial destruction of agricultural produce, especially by hail, the estimation of the damage shall be delayed until the harvest, on request of one of the parties " (1).

And as many other provisions of the law on insurance against damage in general apply also to insurance against hail, the Swiss societies have been obliged, like the German societies, to establish new conditions of policy, in conformity to the law.

The respective legislations of France, Italy, Belgium and the Argentine Republic, show many analogies one with the other, in the matter of insurance. These countries then may be considered as forming a second group, distinct from that of the German countries we have just examined.

In fact, the action of these governments, as far as agricultural insurance is concerned, is specially manifested in the encouragement of small local mutual societies; as to the large mutual societies and the limited companies, they are governed either by the rules of common law on commercial societies, or by special laws, but they are not dependent upon

(1) This provision is also to be found in the Hungarian Commercial Code, of 1875 (art. 481).

special State Offices, with power to control their conduct and supervise their administration.

Thus, in France, the companies limited by shares, that insure against hail, are regulated by the law of 24th July, 1867, amended by decree of 22nd January, 1868, in addition to being regulated by the commercial code; similarly, the constitution and administration of the large mutual societies are regulated by Chapter II of the same decree of 22nd January, 1868. This decree establishes many guarantees of the rights of the insured both in the case of companies limited by shares and in that of mutual societies. For example, art. 6 declares that:

"Every policy must show: 1) the amount of the society's capital; 2) the portion of this capital already paid up or called for, and the means, if any, by which shares may be made transferable; 3) the maximum amount the company may, in terms of its rules, insure as a single risk, without reinsurance; 4) and, in the case in which one and the same capital, by provision in the rules, covers risks of different nature, the amount of such capital and the enumeration of all such risks. Further, a limited company is not validly constituted till after the payment of a guarantee, which may not in any case, not even when the society's capital is less than two hundred thousand francs, be less than 50,000 francs."

For the mutual societies, Chapter II of the decree establishes many provisions as to the constitution and administration of the society, the form of the mutual contract, mutual liabilities, the declaration, and valuation of, and compensation for, losses etc.

The publication of the acts of the society is demanded by the law both in the case of the limited societies and in that of the mutual societies; the executive authority confines itself to examining whether this publication is made in conformity with the provisions of the law, without examining the programme of work or the conduct of affairs of the concern.

It is not the same for the local mutual agricultural societies as appears from the study of the French agricultural associations, published in the 3rd number of this Bulletin: "The Ministry of agriculture has organized a system of control on the spot for all agricultural mutual societies. This control is entrusted to three agents who have each a determinate region for inspection. In principle, this control only affects the operations of societies that have asked for a subvention from the State, according to the law of the 4th July, 1900, but the examiners of the Ministry of Agriculture have to hold themselves entirely at the disposal of all the societies which may of their own motion call them to their assistance, and to give them every information and all useful advice both with respect to new foundations and to the good working of existing organizations. ,,"

The Italian legislation is based, like the French, on the system of publicity: that is to say that the principal guarantee established by the law to safeguard the rights of the insured, consists in the publication of the act of constitution of the insurance societies, their rules, the acts modifying the societies or their rules, and the publication of their financial statements.

The general rules fixed by the commercial code for Societies limited by shares are applicable to insurance societies of this form, with the special additional provision of article 131, by which societies that have insurance for their exclusive object may be constituted by payment of a tenth part of the value of each members' subscribed shares. The mutual insurance societies are, on the contrary, regulated by the special provisions of the second section of the 2nd Chapter of the Commercial Code. The Royal Decree of the 9th January, 1887 gave the insurance societies a special and obligatory form for their balance sheets. Contracts of insurance against hail are subject to the general rules established by the Commercial Code for insurance against losses (Chap. II, Book I), but as the will of the parties may derogate from these rules, the insurance companies have liberty to establish for their insurance policies the conditions they think most favourable. However, art. 446 of the Commercial Code is particularly important for insurance against hail. It declares, indeed, that "in insurances of the produce of the soil, the compensation due by the insurer is determined according to the value the produce would have had when ripe or at the usual date of harvesting, if no disaster had occurred". This provision, which constitutes a derogation from the general principle in force for insurance against losses, according to which the compensation due by the insurer is fixed in accordance with the value of the thing at the date of the disaster, is clearly just. Indeed, in almost every case hail strikes the produce of the soil at a moment at which the farmer can as yet derive no profit from it; consequently, if the compensation due be only calculated with regard to the value of the produce at date of the disaster, this compensation would almost always be illusory. This provision has its sanction in the commercial legislation of almost every country (art. 39, Belgian law of the 11th June, 1874; Dutch Commercial Code, art. 300; Portuguese Commercial Code, art. 448, 449; Roumanian Commercial Code, art. 470, etc.).

Lastly, the Italian Government has sought to encourage the development of local mutual insurance societies, by law of the 7th July, 1907, no. 526, which dispenses these societies from the publication of their deeds in duplicate and from the payment of stamp and registration dues. All mutual societies, with an amount of risks inferior to 300,000 frs, may profit by the advantages afforded by this law. But practically the end proposed by it has not been attained, and Parliament is, presently, to discuss a bill for the reform of this law.

We must also note the recent vote passed by the Board of Thrift and Mutual Insurance, for the foundation of a Mutual Institute subventioned by the State, which adopting the methods of the Bavarian Institute, within the limits possible, would compete with the private societies.

We place Belgium and the Argentine Republic in the same group with France and Italy, for the respective governments of these countries have thought fit to encourage the progress of the mutual agricultural insurance societies by special measures granting them subventions or fiscal privileges. Yet as far as ordinary insurance enterprise is concerned, the laws of these two countries differ from French and Italian law. Indeed, they do not subject the insurance societies to the obligation of the publication of their deeds and balance sheets, conformably with any special rules. The common prescriptions of commercial legislation are then alone applicable to these societies.

The Belgian Government has published model rules for the agricultural mutual insurance societies against hail; it recommends the formation of communal societies with provincial reinsurance; at last it grants subsidies, equal in amount to half the rest of the society's resources, and, in addition, a subvention for the expenses of the first establishment.

The Government of the Argentine Republic, by law of 14th October, 1899, has extended to the Agricultural Insurance Societies, for the amount of premiums due to them, the right of precedence on the value of agricultural produce, sanctioned by articles 3,911 and 3,912 of the Argentine Civil Code, for credits due for seeds delivered, expenses incurred in connection with the harvest or with the carrying out of agricultural works. The privilege of the insurance societies has precedence of that of the lessor or landowner. Besides this, societies constituted with a capital superior to 19 million pesos, and devoting themselves exclusively to agricultural insurance, have been exempted from taxes for the term of 10 years.

In a third group we place all those countries for which, as far as we are aware, no special law has been promulgated in favour of insurance against hail or agricultural insurance generally. In this group we yet think it well to make a distinction between the countries in which ordinary insurance against losses is regulated by the provisions of common law applying to other commercial enterprises, and those in which societies, the object of which is insurance against loss, whatever the risk may be that it is intended to cover, are regulated by special laws. Insurance against hail, like cattle insurance, comes under the more general head of insurance against losses, and the majority of the laws, that we are about to indicate, contain, specifically, in the case of insurance societies against losses, numerous provisions to which also the insurance societies against hail must submit.

Among countries in which insurance against hail is not as yet regulated by special laws we shall mention Hungary and Holland.

In Hungary, the insurance societies are regulated by §§ 453-462 of the Commercial Code of 1875. For legal constitution every society must possess a capital of at least 100,000 florins for each branch of insurance business it intends to transact; apply for legal registration, and observe the prescriptions laid down by the Commercial Court of Buda-Pesth, as far as concerns the publication of balance sheets, the calculation of the reserve fund, book-keeping, etc. However, in these last months, the Minister of Justice has prepared a bill for placing all insurance societies under State supervision.

In Holland, the Insurance Societies are still regulated by the provisions of the Commercial Code of 1838. Recently, however, a special bill on these societies has been presented; but it has not yet received the sanction of Parliament. As we have already said in the second number of this Bulletin, all the Dutch Agricultural Insurance Societies have been founded on private initiative and the State has never intervened in favour of agricultural insurance societies.

In the last group of countries, which comprises all the States in which the insurance societies are regulated by special laws, we shall mention Sweden, Russia, England, Luxemburg, Spain and Greece. In their general lines, these laws are nearly identical; the business of insurance requires Government authorization and often also the deposit of a guarantee; the more important acts of the society and their balance sheets must be published so that the persons interested may easily have cognizance of them; sometimes even, the rules to be followed in the calculation of the reserve funds to meet current risks are indicated, and the responsibility of the administrators or managers towards the insured is laid down in the case of union with other societies, bankruptcy etc. Not being able, in a summary of this character, to examine in detail the special provisions of each of these laws, we shall limit ourselves to the most characteristic.

The Swedish law bears date of the 24th. July, 1903, and our Bulletin has already indicated its provisions relating to the mutual societies (see Bulletin, No. 2, Pag. 229). The guarantees required both from societies limited by shares and mutual societies are many. A special Government office charged to see if the prescriptions of the law have been observed, has been founded at Stockholm.

In Russia, every insurance society, before it can commence its business, must apply for Government authorization and give a guarantee of 500,000 roubles, for each class of risks it desires to insure against. The law on the subject is that of the 6th. June, 1894. The societies insuring against losses must send copy of their rules and their acts to the Home Office.

In England, a law on Insurance Companies (*Insurance Companies Act*) of the 3rd. December, 1909, has recently been promulgated, but the insurance societies against hail (or the cattle insurance societies) are only subject to it, if, at the same time, they undertake other forms of insurance specially considered by this law (life, fire, etc.).

Otherwise, they are regulated by the law of 1862 or by the *Friendly Societies Act* of 1896.

On the other hand, in Luxemburg there is a law, dating from the 16th. June, 1891, containing special provisions for the supervision of the insurance societies, with whatever branch of insurance they may deal. Similarly, the Spanish law of the 14th. May, 1908, establishes that every society, national or foreign, mutual society or limited by shares, proposing to undertake risks of losses must apply to the Spanish Minister of Agriculture for registration in a special register, enclosing with its application a copy of its rules, a note of the rates it intends to apply, etc. It must further give a guarantee of not less than 5,000 pesos. For the supervision of the work of the societies, a *Junta consultiva de seguros* and a Governmental Office of Inspection have been created.

Lastly, the recent Greek law of the 13th. January, 1910, applies to insurance societies of every kind (mutual societies or societies limited by shares), and follows the general lines already indicated. There also exist special laws on supervision of the insurance societies against losses, in several States of South America, in Brazil (law of the 12th. December, 1903), in Peru (law of the 27th. December, 1895), in Chili (law of the 17th. November, 1904) as well as in several States of North America. But we have, unfortunately, very little data on this subject. In the United States there is not as yet any uniform legislation with regard to insurance; the laws vary from State to State. In the same way, in Canada, the intervention of the authorities in favour of agricultural insurance varies according to the province. In fact, in the provinces of Alberta and Saskatchewan, public institutes insuring against hail have been founded in competition with private societies, whilst, in other provinces, insurance is exclusively in the hands of private societies (mutual societies or societies limited by shares).

### § 3. *Cattle Insurance.*

The damage that the loss of all or part of his cattle may cause to a farmer, at a very early date attracted the attention of Governments and of the farmers themselves. In the case of epidemics of contagious disease the Governments have generally felt early enough the necessity of intervening with subsidies for the alleviation of the consequences produced by them; in other cases, in many countries, special mutual aid so-

cieties proposed among themselves to subsidise members who had sustained losses of cattle. Neither in the first nor in the second case was there as yet a real insurance: in them, however, may be found the first beginnings of cattle insurance as it exists to day.

The ever more important part played by cattle in agriculture, the daily more important proportion of the wealth of agricultural countries represented by cattle, could not but hasten the development of the primitive and rudimentary forms of insurance into perfectly constituted organisms. The tendency very clearly manifesting itself in this evolution was in the direction of mutual societies. Non-mutual cattle insurance societies are very rare exceptions. In the great majority of countries there is no cattle insurance society limited by shares: in some only, are there a few limited by shares (Canada) or a few of private enterprise (Germany). The risk of mortality of cattle being capable of sensible increase or diminution by the action of the owner of the cattle himself, it was necessary to keep to an insurance organization interesting the cattle owner in the good working of the business and at the same time allowing of reciprocal control on the part of the members. Mutual insurance offered these two advantages. So that, speaking generally, the field of cattle insurance is held by small mutual societies. Each of the two types has its advantages and its drawbacks. The small mutual society constituted among farmers of one and the same district, acquainted with each other, permits of a very efficacious reciprocal control over the manner in which the animals are kept; the expense of administration is inconsiderable, and the premiums are therefore very low. But it is not suited for the insurance of the cattle of large land-owners and cannot count on resources sufficient to meet the risks of an extraordinary mortality, not being able to give large compensation for the risks. The large mutual societies, in their turn, are in a better position to give compensation as they extend their operations over a large territory, at times exceeding the limits of a single State, but the control on the part of the members loses some of its efficacy, and the expenses of administration are high. Not all the defects of either type are irreparable; the small mutual societies, for example, may resort to reinsurance to remedy the drawback of the inadequate compensations, caused by the limited territory in which they work. Reinsurance is in fact a system resorted to more and more by the small mutual cattle insurance societies.

The principal object of the cattle insurance societies consists in compensating for animals that have died or have had to be killed. Sometimes there is no compensation paid in the case of animals dying in consequence of epidemic contagious disease, and never is there any for animals dying from ill treatment on the part of the owner. This last rule is of great importance, as it has largely contributed to the observance of



a good system of tending animals. Cattle insurance may also propose to itself secondary aims, amongst which it is well to mention the compensations for losses caused by the refusal of the authorities to deliver for consumption the meat of the animals that have been killed. This kind of insurance is of special importance in Germany. In some States of Germany (Saxony) insurance against the seizure of cattle (*Schlachtvieh-versicherung*) is even obligatory.

The means by which the cattle insurance societies meet their engagements are supplied by the payment of a premium on the part of the insured. Sometimes this premium is not established as a fixed sum, but is the result of the apportionment among the members of the total amount of compensations paid by the society. The payment of the premium may be made at the end of the financial year; otherwise, a provisional premium is paid at the beginning of the year, and completed, if need be, by supplementary premiums. Some societies also divide among their members those portions of the dead animals that are fit for use; the distribution of the losses and the apportionment of the meat takes place proportionally to the number of animals that each member has insured or to the value of said animals. The system of distribution has this disadvantage that the insured does not know beforehand the cost of his insurance and that this cost may vary considerably from one year to another. For these reasons other societies make their members pay fixed premiums in proportion to the number or the value of the animals insured. The premiums are generally in proportion to the value, for cattle and horses, in proportion to the number, for goats, pigs, etc. In this case the compensation guaranteed varies according to the amount of disasters occurring in the course of the year, provided the reserve formed in the favourable years be not sufficient to cover the losses.

The compensations do not generally cover all the value of the loss, but only a part, varying, as a rule, between seven and eight tenths of the said value. The object of this regulation is to leave a part of the loss to be borne by the insured and consequently to stimulate his diligence in the protection and good treatment of his animals. With the same object of diminishing the risks, certain insurance societies provide gratuitous veterinary assistance for the animals insured. It is well to mention also that some societies consider the animals that each member insures, individually, and, in this case, compensation is fixed according to the real value of the animal insured. But as this individualisation is generally difficult and easily admits of fraud, the majority of the societies insure groups of animals. In this case the compensation is equal to the real value of the animal injured or killed, if this value is under the mean value, but otherwise the compensation is equal to the mean value.

The different systems of cattle insurance we have briefly indicated are to be found in all countries, without its being possible to establish whether

in such or such a country one or other system prevails. It is much more in the degree of the development than in the organization of cattle insurance that we find great differences between the different countries.

But, unfortunately, it is not possible to measure these differences accurately, as there are complete statistics of cattle insurance only in the case of a very small number of States. We think it well, however, to give here a few data respecting a certain number of countries, which, although not always complete, may indicate approximatively the position of cattle insurance in each of these countries.

Country	Large Mutual Societies			Small Mutual Societies		
	Year	Number	Capital insured (in money of the country)	Year	Number	Capital insured (in money of the country)
Germany (1) . . . . .	1908	27	208,509,302	1908	6000-7000	..
Austria . . . . .	1906	6	31,093,352	1906	296	38,335,233
Belgium (2) . . . . .	.	(3)	..	1908	1740	104,324,954
France . . . . .	1909	13	81,613,763	1910	8428	532,807,990
Italy . . . . .	1909	7	.	1910	about 1000	..
Norway . . . . .	1905	..	about 10 millions	1905	..	about 9 millions
Holland . . . . .	.	(3)	.	1906	1236	..
Switzerland . . . . .	1910	3	..	(4)	.	..

(1) Besides the mutual societies 17 private businesses were at work in Germany in 1908 insuring an amount of 50,042,198 marks. Besides 16 businesses of insurance against seizure of cattle insuring a value of 403,446,770 marks.

(2) The data concerning the number of mutual societies include insurance of cattle, horses, pigs and goats, the data relative to the insured capital, on the contrary, only refer to insurance of cattle, pigs and goats. For horses we only know the number of head insured, that is to say, 51,030 horses.

(3) We have no data for the large mutual societies.

(4) We have no data for the small mutual societies.

The Governments of all countries, convinced of the importance of cattle insurance from the agricultural and from the sanitary point of view, have tried, by one system or another, to encourage and regulate the spontaneous movement among the farmers, and at the same time to guarantee the interests of these against the abuses of societies without means or the bad faith of some insurers. From the point of view of the lines guiding State intervention in the realm of cattle insurance we find profound differences in different countries. And we can divide them, in this relation, into three large classes, as we did in the case of insurance

against hail. The first class is formed by Germany, Austria and Switzerland, the action of which, in the domain of cattle insurance, just as in that of insurance against hail, consists in the creation of control offices, in the rigorous regulation of insurance contracts and in the grant of subventions to insurance enterprise, or even in the creation of State Institutes of Insurance.

The German law, already quoted, of the 12th May, 1901, the Austrian Ministerial Order of the 5th March, 1896, and the Swiss law of the 25th June, 1885, have had the same object of the creation of a State Office, charged with the supervision and the control of the work of the insurance societies. The German and Swiss laws explicitly exclude the local mutual societies from State supervision.

In the same way, the German law of the 30th May, 1908, the Swiss law of the 2nd April, 1908, and an Austrian bill now before Parliament, aim at the regulation of insurance contracts. In addition to the general provisions finding their application in every kind of insurance, special provisions relate to cattle insurance. The whole fourth chapter of the second book of the German law is consecrated to it. The chief provisions are as follows. The insurer of the cattle gives no compensation for deaths of cattle through contagious disease, for which the State gives compensation, nor for deaths due to war. The insurer has the right to exercise supervision over the animal insured, at his own expense. No compensation is paid for animals dying through negligence or ill treatment. The insurer must be advised of any illness of the insured animals of a certain degree of gravity. Necessary slaughter can only be carried out, except in urgent cases, with the consent of the insurer, etc. etc.

A special part of the Swiss law is devoted to insurance against losses, in which a single provision, but a very important one, specially concerns cattle insurance. It (art. 64) establishes that "in the insurance of cattle the value of the animal immediately before the disease or at the date of the accident constitutes the rule." This provision is a derogation from the general principle that compensation is calculated on the basis of the value of the object at the moment of the disaster. The reasons of equity in favour of this derogation are evident.

Finally, also the Austrian bill contains a special division on insurance against losses, and a chapter of this division (the fourth) is devoted to the provisions relative to cattle insurance.

The greater part of the provisions of this chapter correspond with those of the German law: it is, for example, laid down, as in the latter, that the insurer is bound to compensate for the death of an animal for a month (two weeks in the German law) after expiry of the contract, if the sickness or accident causing death originated within the period of the contract. It is further established, as in the German law, that every important

illness of the insured animal must be reported to the insurer: that the insurer's obligations do not cease by reason of sale of the animal insured, if it dies within the period for the course of which the seller's responsibility to the buyer continues, etc. etc.

The means which the three above mentioned countries have used for the encouragement and development of cattle insurance also present analogies. Some States of Germany (the Grand Duchy of Baden, Bavaria) have constituted State Institutes for cattle insurance; in the same way, in Austria, the State has directed its efforts to the constitution of Provincial Institutes not differing greatly from those of Baden and Bavaria. Other German States (Alsace-Lorraine) limit themselves to the grant of subventions to the local societies; in Alsace-Lorraine the distribution of the subventions has been entrusted to a special Institute. In Switzerland, also, the system of subventions from the Confederation and from the Cantons to the free associations has been chosen, but the concession of subventions on the part of the Confederation is subject to the condition that the assurance be obligatory in the whole or in a part of the Canton, and the Swiss obligatory insurance corresponds to the faculty enjoyed by the Communes in Baden of declaring cattle insurance obligatory when two thirds of the cattle owners approve the establishment of the insurance institute.

In 1890, Baden instituted the "*Badischer Viehversicherungsverband*", which united the local mutual societies, both those constituted obligatorily according to the principle mentioned above and those formed freely. The Baden Institute also directly insures the owners who belong to no society, because none exists in the place where they have their residence. The Baden Institute undertakes to pay half of the compensation due by the local societies. The half borne by the Institute is distributed among the federated societies, in proportion to the value insured by them. The State grants subsidies to the Central Institute.

The Bavarian Institute was founded by the law of the 11th May, 1896. It was formed by the free and mutual union of the local mutual societies that have voluntarily become affiliated to it, accepting the normal rules established by it. The local societies do not lose their individuality in adhering to the Institute and they do not enlarge its sphere of action. The administration and the representation of the Institute are entrusted to the Royal Chamber of Insurance Societies, with payment of an annual contribution equal to 0.02 % of the insured sum. Cattle and goats alone are insured by the Institute, which only discharges the important office of reinsurance. Besides the contributions of the local societies, the Institute has received from the State a fund of 500,000 marks, and annually receives from it a subsidy of 100,000 marks. The State finally has granted an extraordinary annual contribution of 25,000 marks to be applied in subsidies to the local societies.

In addition to the Institute for cattle and goats, a special Institute for horses was founded in Bavaria by the law of 15th. April, 1900. Its constitution and its mode of working are based upon the same principles by which the Cattle Insurance Institute is inspired, and the State has also granted it an initial fund of 500,000 marks and an annual contribution of 80,000 marks.

The Provincial Cattle Insurance Institutes of Austria have also for their chief function the reinsurance of the local societies. The small local associations generally cede the half of their insurances and pay the half of the collected premiums to the Provincial Institute which undertakes payment of half of the compensations. The majority of the provincial institutes undertake the institution of local associations in places where they do not exist; the associations thus founded are dependent on the Provincial Institute and they are reinsured by it. Some institutes, on the contrary, like that of Moravia, leave their local societies the most complete liberty, and they, in consequence, establish their own rules independently of any intervention on the part of the Central Institute in which they reinsure. The premiums exacted by the Austrian Institutes are generally very moderate, especially as far as animals occupied in agriculture are concerned; it is due to the large State subventions that they are able to keep their premiums so low.

As we have already mentioned, Switzerland has extended its action in favour of cattle insurance, by granting annual subventions to the local mutual societies, in terms of the law of the 22nd. December, 1893. The concession of the said subventions is subject to the condition, that the canton, in which the mutual society has its headquarters, shall have declared cattle insurance obligatory in all or in a part of its territory, that the canton also accords subventions to local mutual societies and that it exercises supervision over insurance of the cattle. The maximum amount of the subventions granted by the Confederation may equal that of the subsidies granted by the cantons.

The condition imposed by the law of 1893, namely, that cattle insurance be declared obligatory by the cantons before the local mutual societies have a right to State subventions, has been carried out in practice in two different ways. Some cantons have imposed the obligation of insurance unconditionally; these are the cantons of Schaffhausen, Thurgau, Soleure, Zug, Fribourg, Glarus, Geneva, Zurich. The cantons are divided into circles or *arrondissements* of insurance, generally coinciding with the communal territory and each circle has its insurance office. Other cantons (Berne, Basle (country part), Aargau, Vaud, Grisons, Ticino, Neuchâtel), on the contrary, adhere to the system of conditional obligation. On request being made to the communal Council by a certain number of cattle farmers (in the canton of the Grisons,  $\frac{1}{4}$  of the farmers resident in

the commune; in other cantons, 10 farmers), the commune is bound to call a meeting of all the cattle farmers, for them to decide as to the introduction of obligatory insurance. If the majority of the farmers (the majority requisite varies from canton to canton) pronounce in favour of obligatory insurance, the foundation of an insurance office is proceeded with.

The cantonal contributions are distributed according to one or other of the following methods: a fixed sum for each animal insured; a sum proportioned to the amount of the premiums; a fixed sum to be divided among the different offices in proportion to the number of head of cattle insured in each of them. In 1908, the cantons of Zurich, Berne, Glarus, Fribourg, Soleure, Basle (town), Basle (country), Schaffhausen, Grisons, Aargau, Thurgau, Ticino, Vaud, Valais, Neuchâtel, and Geneva granted a total sum of 762,791 francs under the head of subventions to the local mutual societies; the Confederation granted a total subvention of the same amount.

The second group of States, that may be formed from the point of view of legislation with regard to cattle insurance, corresponds to the second group in the section dealing with insurance against hail. It comprises the countries in which State action has principally had in view the encouragement of small local societies, whilst the large mutual societies are subject to the principles of common law, or to the provisions of special laws, without being controlled and supervised by the special organs of the State. This group is composed of France, Italy, Belgium and the Argentine Republic. An enquiry into the legislation of these States in the matter of cattle insurance would lead us to a repetition of what we have already said in the preceding section, the same legal provisions regulating both insurance against hail and cattle insurance. We shall content ourselves therefore with giving a few special details with regard to the intervention of the States in the matter of cattle insurance. In France, the Government proposes to constitute a central agricultural reinsurance society, limiting its action at first to cattle; a bill relative to this new institution is before Parliament. (1) In Italy, besides the conditions of favour enjoyed by the small mutual cattle insurance societies, equally with all other local mutual insurance societies, prize competitions among the local mutual cattle insurance societies are often published by the Government.

As concerns Belgium we must mention the existence, together with free mutual societies, of an obligatory provincial insurance fund in West

(1) See with regard to this, the article published in the present Bulletin: « The Agricultural Association and the Agricultural Estimates, The Agricultural Mutual Insurance Societies and the Central Reinsurance Society ».

Flanders, granting compensation in the case of the seizure of cattle and compulsory slaughter by order of the authorities. And again we must mention that a provincial insurance fund, not obligatory, also exists in the province of Antwerp; out of this fund compensations are granted in almost all cases of death of cattle.

The third group of countries comprises all those in which special legislation on cattle insurance or agricultural insurance, generally, is wanting. In the countries constituting this group, cattle insurance is subject to the provisions of the common law in the matter of insurance, or is regulated by special laws on insurance against losses.

With reference to these two sub-classes we have nothing to add to what is contained in the preceding section.

#### § 4. *Insurance of Persons Engaged in Agricultural Labour.*

The subject with which we have to occupy ourselves would be very large, if all insurance of persons engaged in agricultural labour had to be considered as included in the general category of agricultural insurance. On the contrary, it is clear that only such insurance, the burden of which falls on the agricultural employer in its entirety or even in part, can be considered as agricultural insurance. It is only in these cases that the risks to which the labourers are subject are risks of the labour; if the agricultural labourer insures on his own account, and independently of all contribution from the employer, against sickness, accident or infirmity, his insurance is only private insurance, such as anyone might contract, labourer or not. For these reasons, the material of this section will be more limited than might have at first been expected.

It is quite a recent trend of public opinion and of the legislation of different countries which has led to the recognition of the social necessity for making the employers contribute to the support of the consequences of the losses that sickness, accident, infirmity or old age may entail upon their workmen.

The new orientation of ideas in this field was not, generally speaking, manifested simultaneously in favour of manufacturing and agricultural workmen: on the contrary, almost everywhere, the factory hands benefited before the field workers. Even to-day, in several countries, a complete equality from this point of view, has not received legislative sanction. In the same way, as is natural, different countries present considerable differences as to the risks for which the employers are bound to give compensation. Of the three principal classes of workmen's insurance, against sickness, accidents in labour, infirmity and old age, in a great number of countries only insurance against accidents in labour is in force, and each of these countries has adopted the principle in special ways; insurance

against sickness and against infirmity and old age are, on the contrary, almost everywhere left to the initiative of the workmen; the employers are only bound to contribute in a very small number of States.

Yet it cannot be ignored that an evident tendency is manifesting itself in several States, both to efface all inequality between manufacturing and agricultural workers from the point of view of insurance, and to enlarge more and more the sphere of insurance so as to guarantee the workmen against a greater number of risks.

In the following brief exposition, in its general lines, of insurance of agricultural labourers against sickness, against accidents in labour and against infirmity and old age, in some of the more typical countries, we shall also summarily indicate the most notable signs of the two tendencies just mentioned.

*a) Insurance against Sickness.*

Insurance of agricultural labourers against sickness has only been made obligatory by the State in Norway. The law of the 18th September, 1900, imposed the obligation to insure against sickness all workmen and employees not in receipt of annual earnings above a minimum fixed by the law (about 1,690 frs. for rural labourers).

In Germany, in Austria and in Hungary, insurance of agricultural labourers is not obligatory, as it is for factory workers. The German law of the 15th June, 1883, completed and amended by the laws of the 10th April, 1892, 30th June, 1900, and 25th May, 1903, only established that the insurance of agricultural and forestry workmen against sickness might be made obligatory "by statutory provision, of a Commune for its district, or by a larger administrative body within the district administered by it or within a part of same." (§ 2). The Austrian law of the 30th March, 1888, and the Hungarian law of 1907 contain similar provisions.

In all other countries this class of insurance is perfectly free, as far as agricultural labourers are concerned, and the farmers have no obligations towards their labourers in case of sickness.

The organization of the insurance of labourers against sickness in Germany, Austria, Hungary and Norway is modelled on one and the same type. Insurance business is undertaken for all employments by Communal Offices, with independent administration and based upon mutual principles, or for certain classes of employment by special local offices. In special cases it may be allowed to found offices, restricting their action to one or more classes of business. The premiums are calculated at a percentage of the salary, and the compensations are calculated on the same basis. The workmen and the employers unite for payment of the premiums: in Germany and in Austria, the first pay  $\frac{1}{3}$  and the second  $\frac{1}{3}$ ; in Hungary the premium



is halved between employer and employee; in Norway the workman pays  $\frac{6}{10}$ , the employer  $\frac{1}{10}$ , the Commune  $\frac{1}{10}$ , and the State  $\frac{2}{10}$ .

Compensation consists in providing medical attendance for the workman who falls ill and paying him for a certain number of weeks (not more than 26 in Germany and in Norway; not more than 20 in Austria and in Hungary) a sum equal to a certain proportion of his average salary (50 % in Germany and in Hungary; 60 % in Austria and in Norway). In case of the death of the workman, his family receives compensation equal to twenty times the daily salary in Germany, Austria and Hungary, equal to 25 times the same salary in Norway. The women workers, for six weeks after confinement, receive the same compensation to which they would have been entitled in case of sickness.

*b) Insurance against Accidents in Labour.*

The marvellous development that manufacturing technique and machinery underwent in the course of the second half of the nineteenth century was accompanied by a frequency of accidents in labour, up to then unknown. Claims for compensation in the courts, since accidents in labour were subject to the provisions of common law, presented serious difficulties: the excessive legal expenses, sometimes discouraging the workman from any action in defence of his rights, enormous difficulties in the way of proving irrefutably the fault of the employer, a more or less protracted interval before the workman could touch the compensation that was his due.

The immediate necessity then presented itself for the State to intervene to remove these inconveniences, and, even before the law had laid down special provisions in the matter, in several countries, the employers took the initiative themselves of removing all ground for a large part of the complaints, by the contraction of insurances on behalf of their workmen. The intervention of the law especially showed itself, in the sanction given in a more or less extended degree, to the legal liability of the employers for accidents of which their workmen were victims during the hours of work and in consequence of their work. The law, finally, declared that without the need of any proof of the responsibility of the employer, accidents in labour, not caused voluntarily by the workman himself, must be compensated by the employer. The legal liability once established, insurance showed itself the aptest means for meeting the risk of accidents, without too great expense; and, for this reason, even where the law had not imposed the obligation of insurance, this means was spontaneously chosen by the employers for the discharge of their new obligation. This means presented the advantage of substituting a certain and moderate charge for a variable risk that might sometimes amount to a very considerable sum.

The more recent and less extensive application of machinery to agriculture, and other reasons it would be too long to analyse, had, as their consequence, that almost everywhere the principle of legal liability was applied later and in a more limited measure to agriculture than to manufactures. The countries, in which the application of legal liability to agriculture took place contemporaneously with, and in the same degree as, its application to manufacturing industry, are comparatively few in number. But in the sphere of agriculture, the experience already made in that of manufactures is being repeated, whilst legislation in its evolution tends to enlarge the application of legal liability to agriculture, private initiative precedes it; the agricultural employers in many countries found special insurance societies or profit by the common insurance institutions against accidents in labour for the insurance of all their labourers.

With regard to the application to agriculture of the principle of the legal liability of the employers in accidents in labour, the different countries may be ranged in three classes. To the first class belong those that have not legislated upon the matter and in which the accidents in agricultural labour are still subject to common law: Switzerland, Russia, Finland, Roumania, Greece. To the second class belong those countries which have recognised the liability of the employers, but in limiting it to certain classes of agricultural labourers.

In France, for example, the laws of the 9th April, 1898, and of the 30th June, 1899, only recognised that "accidents, caused by the use of agricultural machines moved by inanimate force, and of which, through the fact, or on the occasion, of the work, persons, of any kind, engaged in the management or use of these motors or machines, are victims, form a charge against the employer of said motor." Another class of agricultural labourers will be added to that considered in the laws quoted, if the bill approved by the Chamber, on the 15th February, 1909 and by the Senate in 1910, is definitely approved by the Chamber with the amendments introduced by the Senate. By force of this bill the legislation referring to liability in accidents in labour will be extended to forestry work.

In Austria (law of the 28th December, 1887) and in Spain (law of the 30th January, 1900) the liability of the employers in accidents in agricultural labour is only recognised in the case of labourers working with an agricultural machine.

In Italy this liability is recognised (law of the 17th March, 1898, and of the 31st January, 1904) in favour of the same labourers and, in addition, in favour of the forestry workmen.

In Hungary, the principle of liability is only established, as far as agriculture is concerned, in favour of farm servants and workmen employed in the use of agricultural machines (laws of 1900 and 1902); in Norway

the application of the said principle is limited to the labourers (laws of the 23rd July, 1884, of the 12th June, 1906, and of the 30th June, 1908).

The third class of country includes the States in which the liability of the farmer in accidents of agricultural labour has been sanctioned in favour of all workmen. To this class belong Germany (laws of the 6th July, 1884, and of the 30th June, 1900), Great Britain (laws of the 30th July, 1900, and of the 21st December, 1906), Belgium, (law of the 24th December, 1903), Denmark (law of the 27th May, 1908) and Luxemburg (laws of the 5th April, 1902, of the 21st April, 1908, and of the 20th December, 1909). The only limitation we find in the legislation of the countries included in this class concerns the annual revenue of the labourers, because labourers receiving an annual wage of more than a certain sum (3,750 frs. in Germany and Luxemburg; 2,500 frs. in Great Britain and Belgium; 2,125 frs. in Denmark) are excluded from the application of the principle of legal liability. In some countries this application is permissive to workmen in receipt of a wage above the maximum established by the law.

With regard to the insurance of agricultural labourers against accidents there is very little to say in the case of the countries included in the first class. In these countries, either the labourer insures on his own account, and then his insurance, has not, as we have said, the character of an agricultural insurance, or the employer insures his labourers voluntarily in ordinary insurance companies and any means of measuring the frequency of such insurances is wanting.

Limiting our consideration, then, to the other classes of States, the law has limited itself to sanctioning legal liability, leaving the employers free to insure if they think it to their interests or else the law has imposed insurance as an obligation. This last obligation has been accompanied in certain States with the indication of the Institutions with which the insurance must be contracted, in others the choice of the institute to be insured in is left to the employer.

Great Britain does not oblige the employer to insure his men: but has only extended the application of the principle of legal liability by the law of 1900, to agriculture. In force of the provisions regulating this principle, the employer is bound to pay the labourer who may be victim of an accident, 50 % of his wage if the accident incapacitates him from work and for the whole period of disablement beginning with the second week. The weekly payment of wage may be converted into corresponding capital. If the workman dies in consequence of the accident, the compensation shall be equal to three years' wages. If the employer is insured in any Institute against the consequences of the law, in case of the failure of the employer or the liquidation of his agricultural estate, the labourer, victim of an accident, has a preference right over the sum insured to the extent of the compensation due to him.

The choice of the Insuring Institute is free: the farmers insure in mutual aid societies or in ordinary accident insurance companies, mutual or limited by shares.

The Belgian law of 1903 has also merely recognised the legal liability of the employer: in the case of accidents in agricultural labour the application of this principle has force only when the farm work habitually occupies at least three labourers; other farms may voluntarily submit to the provisions of the law. The labourer, victim of an accident, has the right, from the day following that on which the accident took place, to a daily compensation equal to 50 % of his wage. If the disablement caused by the accident is or becomes partial the compensation is equal to 50 % of the difference between the wage the labourer received before the accident and that which he may gain before being completely cured. If, on the contrary, the disablement is or becomes permanent, the compensation is represented by an annual sum equal to 50 % of the annual wage (or of the difference between the wage gained before the accident and that which may be gained after it). The cost of medical attendance and of medicines is charged against the employer. In case of death the compensation is fixed at an amount representing the value of a life annuity, at 30 % of the annual wage of the victim. Compensation is calculated upon the wages actually received by the labourer in the course of the year preceding the accident.

The employer may be relieved from the charge of compensation, if he has contracted for payment of same by an authorized insurance company or a mutual insurance society: in this case his liability is taken over by these institutions. If no contract has been entered into, the employer is bound to contribute to the formation of a reserve fund: he may be set free from this obligation by ministerial decree, if he has guaranteed payment of compensation, in any other way, approved by Royal Decree.

The object of this reserve fund is to provide for payment of compensations due in case of accidents, when the employer cannot pay them; this fund is kept up by contributions at the expense of private employers and assessed and collected according to the system of assessment and collection of direct taxes.

The institutions desirous of carrying on a business of insurance against accidents in labour must obtain the authorization of the Minister of Industry and Labour. For this purpose the companies must prove that they are regularly constituted under the form of limited liability societies or societies limited by shares, that they have a subscribed capital of not less than a million of francs, etc.; they must further place with the Consignment Bank, a guarantee varying between 30,000 and 1,500,000 francs. The *common societies*, constituted by the employers, in order to obtain authorization, must be composed of at least five members, with not less than

10,000 labourers in their employ; in exceptional cases authorization may also be granted to societies having a minimum of 30 members, employing at least 5,000 labourers. The rules of the *common societies* are submitted to the approbation of the Government. The common societies have no capital; the engagements of the employers associated in the constitution form the guarantee.

The English and Belgian systems closely resemble each other; the Belgian system, however, presents a greater complexity, since the law has decreed the conditions the insuring institutions must present in order to be authorized to carry on the business of insurance for accidents in labour, which the English law does not do.

The French law is analogous to the Belgian and English laws, as it only recognises the legal liability, except that it only applies the same to agricultural labourers, in the case in which they work with machines moved by inanimate force. But France has done more than the other two countries for insurance against accidents in agricultural labour, because the French law has encouraged the formation of local mutual fire insurance societies by means of subventions and relief from fiscal burdens, and they have been also applied to insurance against accidents. So that, on the 30th September, 1910, there existed in France 7 local mutual insurance societies against accidents in agricultural labour. Further, we must mention that, independently of any legal obligation, insurance against accidents in agricultural labour in France is voluntarily undertaken by numerous agricultural employers for all their workmen, in the ordinary insurance companies against accidents in agricultural labour. We must not fail to mention that for several years past various bills have been presented to Parliament for the extension of the principle of legal liability to all agricultural labourers. One is at present before the Parliament and we shall have occasion to examine it in the following numbers of this Bulletin.

Italy and Denmark are the two Countries in which the principle of legal liability has been accompanied by the obligation of insurance, but with no obligation as far as the organization of the insurance is concerned. These two countries, then, have followed the system known under the name of obligatory insurance and liberty of organization. The field of obligatory insurance against accidents is of different extent in the two countries as we have already mentioned. In Denmark, there is compulsory insurance for all agricultural workers receiving a salary not above 2,125 francs a year; in Italy, only for the agricultural labourers occupied with machines moved by inanimate force and the forestry workmen. The insurance may be contracted in a mutual society or in one limited by shares, as the employer desires. Further, in Italy the State encourages with subventions a special mutual institution the *Cassa nazionale d'assicurazione contro gli infortuni del lavoro*, which, although independent, has thus almost

acquired the character of a State Institution, but no limit is imposed on the liberty of the employer to choose another institution. Both in Denmark and in Italy the premiums are altogether paid by the employer. The compensation assured in case of accident entailing temporary incapacity for work is, in Italy, equal at most to 50 % of the wage for the whole period of incapacity; in Denmark it is equal at most to 60 % of the wage beginning with the 14th week of incapacity. In case of permanent disablement the victim of the accident both in Italy and in Denmark receives compensation, that may amount to six times his annual wage. In the case of death the heirs have a right to compensation of 5 times the annual wage, in Italy, and in Denmark to compensation equal to 4 times the annual wage and a fixed sum for the funeral expenses.

In Italy the matter of obligatory insurance of all agricultural labourers is now under discussion: a bill is before Parliament and an article in the next number of the Bulletin will give its fundamental lines. Private initiative, however, has, in Italy just as in France, preceded the work of the legislator and even prepared the way. In fact agricultural employers often insure their labourers in ordinary companies of insurance against accidents in agricultural labour. Some special bodies have even been formed with this object by agricultural employers: at Vercelli, Florence, Milan and Bologna the employers have founded mutual insurance societies against accidents in agricultural labour. The premiums are generally calculated in proportion to the hectares cultivated by each associate.

It remains for us to consider the last class of countries, that is to say, those in which the obligation of insurance is accompanied by the obligation of a special form of organization of the insurance itself. In this class we find Germany, Austria, Hungary, Norway and Luxemburg. In Germany, the insurance against accidents in labour must be contracted with special local mutual institutions for each class of industry (*Berufsgenossenschaften*). There are, therefore, special mutual offices for accident insurance for all agricultural labourers not in receipt of a wage amounting to more than 3,750 frs. per annum. Employees receiving a larger salary, as well as small farmers also have the right to insure themselves in these institutions. The amount of losses is annually distributed among the farmers, and, according to the law, the part due to each farmer must be calculated in proportion to the risks inherent in the farm work insured (*Gefahrenklasse*) and the quantity of labour required for the working of the farm in view of the salaries and wages of the persons employed (*Arbeitsbedarf*). Yet it is permitted not to establish tariffs for risks when there is no great difference between the risks presented by different enterprises, and it is even within the power of the regulations to establish that the premiums be determined on the basis of the direct State or communal taxes paid by each employer. The compensations consist in the payment of the cost of medical attend-

ance to the labourer, victim of an accident, and paying him a wage that may amount in all to  $66\frac{2}{3}\%$  of his annual pay, dating from the time when compensation for sickness shall cease, or at latest, from the 14th week. In case of death a sum equal to 20 times the daily pay is paid for funeral expenses and the heirs receive an annuity, not above 60 % in all of the annual earnings of the dead labourer. The annuity is paid to the widow during the whole of her life or until she remarries, to the children up to their fifteenth year.

In Austria there are not special institutions for insurance of different employments but provincial institutions for all employments together. The agricultural labourers they insure are, as we have already mentioned, exclusively those working with machines moved by inanimate force or by animals. Each employer insured pays fixed annual premiums serving to form the capital necessary for the guarantee of compensations for the term insured for; he may recover from the labourer to the extent of  $\frac{1}{10}$ th of the premium. The premiums are calculated upon the wages and the amount of risk. The workman, victim of an accident, receives from the fifth week following the accident, an annuity equal to 60 % of his wage in case of total disablement, and in case of partial disablement a fraction of the said annuity, according to the degree of disablement, but never inferior to 50 %. In case of death, the insuring institute indemnifies for the funeral expenses and pays an annuity to the heirs that may amount to a total of 50 % of the annual wage of the victim. The annuity is paid to the widow until she dies or remarries; to the children until their fifteenth year.

In Hungary, Luxemburg and Norway, a single Institute insures for the whole State; specially, for agricultural labourers in Hungary; generally, for all workers in Norway and Luxemburg. In this last State, however, the accounts for insurance of agricultural workers are kept separately from those for factory workers. In all these three countries the premiums are exclusively paid by the employers; the premiums are assessed in Luxemburg as in Germany; in Hungary and in Norway, on the contrary, the system of fixed premiums is followed.

The system of payment of compensation is similar to those we have described in the case of the other countries. The agricultural labourers in whose favour insurance has been made obligatory in each of the countries in question have already been indicated above.

### c) *Insurance against Infirmary and Old Age.*

In the realm of insurance of agricultural labourers against infirmity and old age we find ourselves confronted by differences between the various countries, far more considerable than in that of the two other classes of

workmen's insurance. In a large number of countries insurance of agricultural labourers against infirmity and old age is perfectly free and receives no assistance from the State; it is undertaken by the Societies of mutual succours or by ordinary insurance societies. This is the case, for example, in Austria, Holland, Luxemburg, Norway, Sweden, Denmark, etc. It is well, however, to note that in many of these countries, for some years past, the establishment of obligatory insurance for all labourers, or for some classes of them, has been under discussion; bills for this purpose have been submitted to parliament in Austria, Holland, Norway, Sweden and Luxemburg.

In other countries the insurance of agricultural workmen is optional, but the State has provided for the foundation of the Institute to undertake it, and encourages and subventions this Institute, in some cases encouraging and subsidising all insurance of workmen against infirmity and old age (Belgium, Italy, Spain), in others encouraging and subsidising the insurance of agricultural labourers in particular, as is done in Hungary.

In all these countries, characterized by the free insurance of agricultural workmen, the premiums are paid for exclusively by the insured, and the insurance consequently has no agricultural character, being only the expression of the individual foresight of the insured without any connection with agricultural industry. For this reason we shall omit any description of its organization, and the legal provisions governing it.

Insurance of labourers generally against old age and infirmity, and consequently, of agricultural labourers also, is, on the contrary, obligatory in Germany and in France.

The German law of the 13th July, 1899, established that all labourers and employees (in receipt of salary not exceeding 2,000 marks a year) shall be insured against infirmity and old age from their sixteenth year. By deliberation of the *Bundesrat* the obligation of insurance may be extended to small farmers and persons engaged in a domestic industry. The institutions called to exercise this insurance are constituted by disposition of the governments of the different States for large unions of communes in their territory, for the entire territory of the State, or for portions of it. An Institute may also be constituted for several States or parts of a State. The foundation of an Insurance Institute must be approved by the *Bundesrath*. Several Institutes may federate together to bear the whole or part of the burden of insurance against infirmity.

The persons obliged to insure are empowered to do so in a special office existing for the business in which they are occupied, provided that this office ensures prestations equivalent to those established by the law, and presents certain other conditions established by the law (the contributions paid by the workmen must not exceed those paid by the employers, etc.),



The Insuring Institutes are organized on mutual principles and have an independent administration.

The object of the insurance is to grant an annuity in case of infirmity or old age. The labourer is entitled to the annuity in case of infirmity when he has been insured for 200 weeks, and has paid at least 100 weekly contributions; otherwise he has only a right after 500 weeks from the day the insurance is arranged. At 70, he has a right to the old age pension, provided he has been insured for 1,200 weeks.

The workmen and the employers contribute to the formation of the capital for these annuities by payment of a premium in equal proportions; the Empire adds to each annuity paid in full in each year, a subvention of 50 marks.

The contributions to be paid differ with the amount of wage. For this purpose, wages are classified in five groups: the first includes wages not above 350 marks a year: the second, wages above 350 and not exceeding 550 marks a year: the third, wages above 550 and not exceeding 850 marks a year: the fourth, those above 850 but less than 1,150 marks a year; and the last wages above 1,150 marks.

The weekly contributions for the different classes of wages are as follows:

1st class	.	.	14 pfennig	
2nd	»	.	20	»
3rd	»	.	24	»
4th	»	.	30	»
5th	»	.	36	»

The annuities, except for the Imperial contribution, are calculated by adding to an original amount, varying with the different classes of salary, complementary portions proportionally to the number of weeks for which the contributions have been paid, and varying according to the class of wage. By provision in the rules of a commune or of a union of communes, it may be established, if it is the custom of the district for the agricultural wages to be paid entirely or partly in kind, that the annuities of the agricultural and forest workers be also paid in kind up to  $\frac{2}{3}$  of their amount. In case of the death of the labourer before he has a right to an annuity, if 200 weekly contributions have been paid, the widow or the children under fifteen years have a right to the restitution of half the contributions paid in behalf of the dead man.

The French law of the 5th April, 1910, on the old age pensions for workmen and peasants does not differ greatly from the German law of which we have just spoken. The first article of the said law declares that "wage earners of both sexes engaged in manufactures, trade, the liberal professions and agriculture, servants receiving wages," etc. "shall

benefit... by old age pensions." But wage earners whose annual receipts exceed 3,000 francs, are not subject to the obligations of the law. Further: "the tenant farmers, *métayers*, farmers, artisans and small employers, habitually working alone or with a single labourer and the members of their own family, in receipt of wages or not, living with them, who are desirous of providing an old age pension for themselves or ensuring one for such members of their household," are admitted, at their option, to the benefits of an old age pension.

"The old age pension is constituted by obligatory and optional payments on the part of the insured, by contributions from the employers, and by life annuities granted by the State." Both workmen and employers must pay an annual obligatory contribution of 9 frs, for the men; 6 frs for the women and 4 frs 50 for minors under eighteen years. For tenant-farmers, farmers, artisans and small employers, the annual payments are at least 9 frs per person insured, for the entire contribution, and at most 18 frs. As to the *métayers*, the annual payments are at least 6 frs; they entail, as a right, the payment of a similar sum by the proprietors up to a maximum amount of 9 frs. "The old age pension is formed out of transferred capital, yet, at the request of the insured, the payments deducted from his wage may be put to the reserve fund." "The contributions of the wage earners are deducted from their wages by the employer at each payment." The life annuity granted by the State is fixed at 60 frs, at the age of 65 years. The amount constituting the grant is paid into the account of the beneficiary in the National Superannuation Fund.

Wage earners who can prove they are already members of, and pay their contributions to, a Mutual Aid Society or a Thrift Society ensuring old age pensions; wage earners who can show that they have arranged for the purchase or building of a cheap dwelling house or for the acquisition of a small property (field or garden); conformably with the conditions of the laws of 30th November, 1894, 30th April, 1904, 12th April, 1906, and 10th April, 1908; may be authorized to continue to devote to these purposes the personal payments they are bound to by the law upon old age pensions. They retain the benefit of the employers' contribution and the complementary State subvention.

The normal age for the pension is 65 years, but any insured person may, from the age of 55, claim payment of his pension in advance: in this case, the life annuity granted by the State is also subject to payment calculated for the same age and reduced in consequence.

The insured, who, in cases other than those dealt with by the law on accidents in labour and with the exclusion of all fault or intention, have received serious wounds or are afflicted with a premature infirmity entailing an absolute and permanent incapacity for work, have the right, whatever their age, to an anticipatory payment of their pension.

If an insured person, still subject to the obligations of the law, dies before receipt of his old age pension, there is allowed:

1. To his children under sixteen years of age: a sum of 50 francs per month, for six months, if they are more than three in number; 50 francs a month for five months, if they are more than two; 50 francs per month for four months, if there is only one;

2. To the widow without children of less than sixteen years, 50 francs per month for three months.

When the pension in course of acquisition exceeds 180 francs, the insured may, at any moment, and after medical examination, receive the amount of the surplus in money, whether for the purpose of insurance of his life, or for the acquisition of a piece of ground or a house to become inalienable and unseizable, under the conditions laid down by the law on the constitution of unseizable family property.

Insurance may be arranged, according to the choice of the insured party in one of the following societies:

1. National Superannuation Fund;
2. Mutual Aid Societies or Unions of such Societies;
3. Departmental or Regional Superannuation Funds, instituted by decree and administered by committees of management, composed for a third part of representatives of the Government, for a third part of representatives elected by the insured and for the remaining third of representatives elected by the employers;
4. Capitalist or Syndicate Superannuation Funds;
5. Syndicate offices for the assurance of old age pensions, with guarantee binding the adhering employers jointly and severally;
6. Professional Syndicates' Superannuation Funds.

For the application of the law on workmens' and peasants' old age pensions, the financial management of the different bodies indicated above is entrusted to the Deposit and Consignment office, which arranges investments for them, free of charge, with mere reimbursement of duties paid and of broker's percentage and the expenses of purchase. The date at which the law briefly summarised above is to come into force has been fixed for the 1st July, 1911.

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# **INSURANCE**

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## **II. — CURRENT QUESTIONS AND RECENT NEWS.**



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# INSURANCE

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## GERMANY.

### RECENT NEWS.

#### 1. Work of the Agricultural Insurance Institutions.

1. **Work of the Private Societies of Insurance against Hail in 1909** (1). — The last report of the “*Imperial Office of Supervision over Private Insurance*,” published in 1910, gives us complete statistics of the operations of the Societies of Insurance against Hail under its supervision, in accordance with the law of the 12th May, 1901.

Although the official statistics do not give the figures for the Bavarian State Institute, nor for societies confined within local limits, they seem to us sufficient to give a clear idea of the progress of this branch of insurance in Germany.

The 5 companies limited by shares and the majority of the mutual societies insure exclusively against hail; only the mutual societies of Greifswald, Meklemburg and Schwedt also occupy themselves with fire insurance, the Greifswald Mutual Society further insures against damage to buildings through accidental causes (*Baulastversicherung*).

No foreign society is engaged in the business of Insurance against Hail in Germany.

(1) Summarised from the *Geschäftsbericht des Kaiserlichen Aufsichtsamts für Privatversicherung für das Jahr 1909*, Berlin, 1910. Guttentag (Report of the Imperial Office of Supervision of Private Insurance).

*Summary of the Business Operations*

1	2	3	4	5
Head Quarters of Society	Title	Profit and Loss		
		Value Insured in 1909	Premiums, Supplementary Contributions and other payments	Revenue from Investments
		1,000 Marks	Marks	Marks
<i>Companies Ltd by Shares:</i>	<i>Companies limited by Shares</i>			
Berlin.....	Berliner H. Ass. G. ....	102,317	1,442,980	..
Cöln.....	Cölnische H. V. G. ....	227,218	2,413,788	..
Elberfeld.....	Vaterländische H. V. G. ....	136,176	1,546,780	..
Magdeburg.....	Magdeburg H. V. G. ....	271,312	3,586,585	..
Weimar.....	Union.....	209,474	2,341,788	..
5 Companies limited by Shares.....		946,497	11,331,921	..
<i>Mutual Societies:</i>	<i>Mutual Societies:</i>			
Berlin.....	Borussia.....	84,302	1,202,056	26,851
Berlin.....	Ceres.....	78,892	834,687	..
Berlin.....	Deutsche H. V. G. f. Gärtneren.	19,638	367,827	..
Berlin.....	Norddeutsche H. V. G. ....	896,993	9,726,395	268,015
Berlin.....	Preussische H. V. G. ....	66,427	715,918	49,002
Greifswald.....	Greifswald. H. V. G. ....	79,077	540,617	23,357
Leipzig.....	Leipziger.....	94,897	991,756	3,511
Neubrandenburg.....	Meklemb H. V. G. (1).....	88,720	654,433	..
Oldenburg.....	Oldenburg. H. V. G. ....	16,444	103,596	..
Schwedt.....	Schwedter H. V. G. ....	308,447	2,506,115	341,690
10 Mutual Societies.....		1,733,837	17,643,400	713,326
5 Companies limited by Shares.....		946,497	11,331,921	..
Total...		2,680,334	28,975,321	713,326

(1) First Financial Year, 1908-09 — (2) The Profit, in part, had to be used to cover the losses of previous years

*of the German Societies.*

6	7	8	9	10	11	12
Account, 1909		Balance Sheet, 1909				
Compensations and profits distributed and Reinsurance Premiums Marks	Payments for Extinction of Debt. Marks	Capital in shares Marks	Reserve for Current Risks (not including Reinsurance) Marks	Other Reserve Funds (Regulation Reserve and others) Marks	Profits (surplus) Marks	Loss Marks
311,086	524,884	3,000,000	1,490	381,574	839,373	..
599,404	.	9,000,000	.	50,126 (2)	1,261,074	..
261,469	..	3,000,000	..	.	.	(2) 358,754
781,520	..	6,000,000	4,000	..	.	(2) 990,184
449,296	..	7,528,500	..	3,204,839	1,593,088	..
2,402,775	524,884	28,528,500	5,490	3,636,539	3,693,535	1,348,938
778,084	76,224	.	6,072	162,419	.	.
542,104	98,147	.	1,399	255,099	.	144,486
90,580	..	.	..	97,672	174,121	..
6,083,386	1,540,671	..	7,384	2,639,331	.	..
495,130	42,297	.	750	100,935	.	..
312,013	244,435	..	..	666,403	..	..
545,859	90,475	.	1,429	193,284	.	..
381,930	201,029	..	277	601,725	65,969	..
3,410	73,479	..	..	132,144	..	..
2,434,503	245,389	..	66,662	406,820	..	..
11,666,999	2,612,146	..	83,973	5,255,832	240,090	114,486
2,402,775	524,884	28,528,500	5,490	3,636,539	3,693,535	1,348,938
14,069,774	3,137,030	28,528,500	89,463	8,933,625	3,933,625	1,463,424



**2. Results shown by the Societies for Insurance against Hail, for the Year, 1909.** — The Majority of the Insurance Companies have not yet published their Statements for the Year, 1910; we can only give approximate results of the last campaign against hail.

The storms were very many, and the year 1910 was really full of disasters, as had been those of 1905-1908. Yet the capital insured shows a distinct advance; really, the increase this year was about 145 millions of marks.

The following are the chief data provided by a few societies:

	Insured Capital		Supplementary Premiums per cent of Premiums paid	Average Premium for 100 Marks of the sum insured
	Total in 1,000 Marks	Increase in the Year in 1,000 Marks		
Meklemburgische, . . . . .	96,790	8,070	..	Pfenn. 131
Greifswalder, . . . . .	86,000	7,000		" 97
Ostdeutscher, . . . . .	100,000	8,000	..	" 198
Leipziger, . . . . .	104,045	15,000	160	" 195
Schwedter, . . . . .	324,807	22,000	190	" 238
Deutscher f. G., . . . . .	20,984	1,346	10	" 200
Norddeutscher, . . . . .	954,000	57,000	160	" 197
Borussia, . . . . .	95,000	11,000	175	" 192
Ceres, . . . . .	90,000	11,000	170	" 200
Preussische, . . . . .	71,000	4,500	350	" 278

The State Institute for Insurance against Hail, created by the Bavarian Government, shows an average of losses of 1.42 % of the sum insured; the total for premiums paid amounted to 4,874,710 Marks and the Institute was able to pay the insured 100 % of their losses.

The *Magdeburger Hagelversicherungsgesellschaft*, a company limited by shares with headquarters at Magdeburg, does not seem to have been fortunate in its last campaign against hail.

In the year 1909, it closed its accounts with the satisfactory surplus of 1,175,000 Marks: this year, on the contrary, it will probably close with a deficit of 177,955 Marks.

It reports total losses of 2,866,133 Marks, against premiums paid to the amount of 3,219,522.

All considered, the situation is not so bad, as one might think, if account is taken of the frequency of disaster in the region worked by this society.

(Summarised from the *Annalen des gesamten Versicherungswesens, Leipzig, 29th September, 1910, 2nd February, 1911*).

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**3. State Institute of the Principality of Reuss for the Insurance of Butchers' Beasts.** — We extract the following data from the Report for the Financial year:

In 1909, 2,546 oxen, 4,598 cows, 6,658 calves, and 35,746 pigs were insured in the Institute. There were the following increases:

Years	Animals Insured	Premiums in Marks	Compensations in Marks	Working Expenses in Marks
1909	49,548	26,105	24,450	2,135
1908	49,055	24,620	24,059	1,208

Distributing the premiums and compensations according to the class of animal insured we have:

	Premiums in Marks	Compensations in Marks
Oxen . . . . .	3,219	2,644
Cows . . . . .	17,173	14,882
Calves . . . . .	999	257
Pigs . . . . .	4,714	6,667

The total compensations due to entire rejection of the meat in 1909 came to 7,626 Marks for the lower part of the country and to 7,461 Marks for the higher part, altogether to 15,090 Marks; those due to partial rejection to 5,715 and 3,645 respectively, altogether to 9,360 Marks.

Whilst in the higher lands, there was an excess of 1,349 Marks, the financial year will close with a deficit of 1,829 Marks for the lower parts, so that 480 Marks had to be covered by other receipts of the Institute. These last consisted of 2,591 Marks interest and 13 Marks from fines. Further 127 Marks was paid for compensations for the year 1908 and 10 Marks were written off. The capital of the Institute was increased by 1,987 Marks and has thus reached a total of 86,145 Marks. At the end of the year it was made up as follows: Reserve Fund in Savings Bank, 60,000 Marks; permanent Reserve Fund, 9,000 Marks; loan to the Commission for Pasturage of the Agricultural and Forestry Association of the district of Schleiz, 13,000 Marks; cash in hand, 4,145 Marks. The expenses of administration of the Institute were defrayed, as always, by the State.

(Summarised from the *Annalen des gesamten Versicherungswesens, Leipzig, 8th December, 1910*).

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4. **The twenty-fifth anniversary of the foundation of the Ceres Mutual Insurance Society against Hail.** — With the financial year, 1910, the "*Ceres*" Mutual Insurance Society against Hail terminated the 25th year of its existence, and the Management decided, for the occasion, to publish a little pamphlet in order to give the insured and the general public an opportunity of a glance at the history and working of the Society.

The first farmers' meeting for the constitution of the Society was held in Berlin on the 29th December, 1884; the proposed rules met with a very speedy general approval and the Society was authorized to work in the Kingdom of Prussia, by Order of 20th June, 1885.

The results obtained the first year were encouraging; at the end of 1886 the value insured was already 4 millions of Marks; the number of policies taken 1,278.

In the first years 1885-1890 the Society wished to transact the business of insurance against hail and rust; but as the last risks are too special and the majority of the farmers did not profit by insurance against them, since January 1880, the Society only undertakes insurance against hail.

We shall confine ourselves here to quoting the principal statistical data which will help to give a clear idea of the advance made by the society:

Year	Number of Policies	Value Insured	Premiums paid	Supplementary Premiums	Compensations paid	Number of disasters	Reserve Fund on 1st. January of following year
1890 .....	4,050	15,532,060	112,501	110,210	91,754	567	5,493
1900 .....	12,467	33,369,030	208,438	89,155	150,916	2,253	111,140
1909 .....	26,666	78,892,470	572,127	149,928	488,239	2,849	255,099

During the years 1885-1909 there has never been a diminution reported in the value insured, but, on the contrary, a constant increase; this is a proof of the solid base on which this society works.

We find also that it strives to facilitate insurance for the small farmers by collective contracts of insurance, that is to say, the farmers of one and the same commune insure by means of a single contract, profiting in this way by a sensible reduction of the expenses of the policy, conveyance and stamps. In 1909, the number of collective insurance policies was 2,005.

Information as to the frequency and distribution of the storms during the 25 years of the Society's existence complete the report.

## 2. Miscellaneous Information.

1. **The Advance in Price of the Insurance Societies' Shares in 1910.** — The quotations for Insurance Societies' shares in 1910 were higher than those of any other business. The following data show this:

(Berlin Exchange). Average Rate (End of Month): January, 484.75; February, 489.47; March, 499.32; April, 508.94; May, 524.61; June, 528.49; July, 535.96; August, 540.97; September, 536.22. In the last months of the year the ascending course of the rates was interrupted, without however their suffering important decrease. The average rates for the whole year show a remarkable advance upon the previous year's average. The Insurance Societies against hail alone have given not very satisfactory results.

(Summarised from the *Zeitschrift für die gesamte Versicherungs-Wissenschaft*, Berlin, 1st January, 1911).

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2. **The East Prussia Landschaft authorized to transact Life Insurance Business.** — The "*Reichsanzeiger*" of the 17th December, 1910, publishes the Imperial Order, by which the "East Prussia Landschaft" is authorized to found a life insurance institution.

The Landschaft will give the Institute a foundation capital of a million marks; it will undertake the management and place its own employees and office at the disposal of the Institute; finally, the Landschaft will complete its assistance by payment of a contribution of 25,000 Marks towards the expenses of the initial establishment.

The Institute, in consideration of its public character, will not be subjected to the control of the Imperial Supervision Office.

The General Meeting of the Landschaft will examine into the calculation of premiums, the fixing of the tariffs and, in general, all questions concerning the technique of the insurance.

It is the object of this Institution to undertake every form of life-insurance; for the moment its operations will be limited to the district in which the Landschaft works.

(Summarised from the *Allgemeine Versicherungs-press*, 31st December, 1910).

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3. **Insurance Committee at the Berlin Chamber of Commerce.** — The Chamber of Commerce has decided to found an Insurance Committee, the members of which must be elected by the Chamber itself. This news is of importance for agriculture, because the following branches of insurance will be represented in the Committee: life, fire, accidents and liabilities, transport, hail, cattle.

• (Summarised from the *Sask'sche Zeitung*, no. 2, 13th January, 1911, Leipzig and the *Zeitschrift für Versicherungswesen*, no. 2, 11th January, 1911, Berlin),



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# INSURANCE

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## AUSTRIA.

### RECENT NEWS.

#### 1. Legislation and State Intervention in regard to Agricultural Insurance.

*Bill for Obligatory Insurance against Hail.* — In the Landtag of Lower Austria, the Deputy Stickler recommended that next session a bill be presented, and submitted to discussion, for the institution of obligatory insurance against hail in Lower Austria.

According to the proposer, this system would have the advantage of stimulating a spirit of solidarity among the farmers of the different regions, obliging those who inhabit districts less exposed to the scourge to come to the assistance of the farmers more frequently affected.

(Summarised from the *Oesterreichische Versicherungs Zeitung*, Vienna, 17th. December, 1910)

#### 2. Work of the Insurance Institutions.

1. **Work of the Societies of Insurance against Hail in 1909; View of the Results of the Year 1910.** — Whilst the financial year 1909 had been favourable to the Austrian Insurance Institutions and the Societies had been able to increase their reserve funds, in 1910, on the contrary, hail fell frequently and it seems, that the farmers have not had their crops nearly uninjured, except only in Bohemia.

The Societies doing Italian business directly, or reinsuring risks for Italian Societies suffered the most, because hail storms were very numerous in this latter country.

(Summarised from the *Oesterreichische Versicherungs Zeitung*, 7th. January, 1911).

The *Ungarische Hagel-und Rück-Versicherungs Aktien Gesellschaft*, with its headquarters at Buda-Pest, but insuring against hail also in Austria, does as well as may be wished.

Last year the results of its work were very satisfactory; increase in insured value and consequently increase in premiums paid in.

During the last months hail fell in abundance, but that did not prevent the Society from giving the shareholders a dividend of 14 k. = 7 % per share.

As the balance sheets of the greater number of the other societies have not yet been published, we think it advisable to publish the following data for 1909, taken from the *Ehrenzweig Assekuranz Jahrbuch* of 1911.

Statistical Table of the Operations of the Year 1909.

Names of the Companies	Capital insured in 1909	Premiums and Policy charges		Expenditure			Profits or losses	
		Gross Premiums	Reinsurance deducted	Reserve Fund	Working Expenses	Taxes	Premiums	Interest on capital
Erste Ungarische.....	122,140,494	3,280,819	1,465,562	—	2,376	306,866	49,696	2,249
Oesterreich. Phönix.....	155,543,918	3,693,764	1,720,525	1,109,127	12,793	370,842	30,000	318,311
Pester Fönicière.....	(1) 24,000,000	600,163	221,512	988,579	8,889	54,578	10,000	18,309
Donau.....	42,898,357	1,612,205	1,121,276	129,736	5,539	346,863	10,000	75,911
Ungarisch-französische.....	39,664,212	1,421,760	309,195	682,963	1,371	78,731	—	16,605
Wiener Vers. Ges.....	51,806,138	2,212,813	1,337,152	231,440	..	278,540	10,000	25,498
Ung. Hagel- u. Rückw. G.....	95,134,181	2,493,465	2,493,465	1,023,114	52,560	410,381	32,703	494,385
Southern.....	175,736,982	6,186,745	5,676,541	1,503,436	168,046	900,916	91,553	833,395
Vaterl. Allg. V. A. G.....	(1) 16,000,000	400,000	594,511	3,673,631	2,322	28,599	2,000	7,993
Vers. Gen. d. Landwirte.....	35,362,898	852,934	618,458	53,597	186,300	—	16,000	42,929
a) Companies limited by shares.	758,287,180	22,154,669	15,058,197	9,768,852	246,402	2,971,616	268,952	1,802,375
Wr. wechs. Brandschad.....	4,375,333	90,447	24,910	76,152	..	19,975	1,427	72,644
Erste Böhmische.....	36,124,700	1,340,888	398,692	76,125	148,147	26,964	10,801	163,619
Mährisch-schlesische.....	8,409,022	177,626	64,423	13,356	..	214,973	2,000	22,914
Krakauer V. G.....	88,897,329	1,735,481	1,185,636	1,181,223	..	54,206	10,062	220,622
Slavia.....	17,279,937	649,202	249,796	56,039	..	98,836	1,949	137,002
Landwirtschaftliche.....	15,133,340	468,952	251,382	42,743	..	45,725	3,806	105,997
N. O. Landes-Hagel-V. A.....	16,464,856	347,296	181,882	386,169	..	1,686	—	251,098
Grazer Brandschaden.....	626,011	18,233	5,365	4,788	..	7,611	523	7,557
b) Mutual Societies.....	181,310,528	4,828,125	2,362,086	1,836,595	..	616,137	32,254	123,200
Total.....	939,597,708	26,982,794	17,420,283	11,605,447	246,402	3,588,053	301,206	1,679,175

(1) Only for Austria and Hungary — (2) Calculated for other branches of Insurance.



**2. The Institutions for Cattle Insurance in the Austro-Hungarian Empire.** — In 1909 Cattle Insurance in the Austro-Hungarian Empire was being undertaken by small local associations, the work of which, to a large extent escapes statistical control, and by nine large institutions, of which 7 were provincial and two others private: the Vorarlberg Cattle Insurance Institute and the Hungarian Institute. There were no limited liability societies in the Empire concerned with this branch of Insurance.

We give below a statistical table showing the work of the great mutual societies, in the year 1909, taken from Ehrenzweig's *Assekuranz Jahrbuch*.

*Statistical Table of the Operations of the Year 1909.*

1	2		3	4	5	6	7	8
	Premiums and Policy charges							
	Gross	For own account		Compensation paid	Produce of sale of the utilisable portions of the animals	Commissions and Working Expenses	Increase of Reserve Fund	Surplus
<b>Austro-Hungarian Mutual Cattle Insurance Societies</b>								
<b>Vorarlberg Cattle Insurance Institute</b> .....	68,322	68,322		64,170		9,693		— 5,541
Prov. Institute of Lower Austria for Insurance of Horned Cattle .....	805,081	805,081		1,606,009	— 536,529	199,732		— 464,131
Prov. Institute of Lower Austria for Insurance of Horses .....	909,659	909,659		937,470	— 109,056	265,693	..	— 184,438
Moravian Prov. Cattle Insurance Institute .....	357,716	357,716		691,407	200,223	199,638	— 45,047	— 288,119
Hungarian Cattle Insurance Institute .....	298,235	287,425		237,108	— 62,190	110,591	— 19,516	21,432
Carinthian Prov. Cattle Insurance Institute .....	80,964	80,964		130,020	— 46,172	30,081		— 32,971
Prov. Institute of Upper Austria for Insurance of Horned Cattle .....	38,983	38,983		81,030	— 28,455	14,014		— 28,506
Prov. Institute of Upper Austria for Insurance of Horses .....	77,579	77,579		81,027	— 7,185	21,534		— 17,857
Tyrolese Prov. Institute for Insurance of Horned Cattle .....	6,470	6,470		9,451		11,277		— 14,268
<b>Total</b> .....	2,643,009	2,632,199		3,838,718	— 989,810	862,253	— 64,563	— 1,014,399

(1) Data from 1st. November 1907 to 31st October 1908. — (2) Data of 1905

(1) Data from 1st November 1907 to 31st October 1908. — (2) Data of 1908

If we compare these data with those of the preceding years, we observe a progress, slow, it is true, yet continuous, which must be largely attributed to the active and energetic work of the public authorities. They, by granting important subventions to the Institutes permitted of their working with relatively low premiums.

In 1909 the provincial subsidies were of the following amounts:

Institute of Lower Austria for the Insurance of		
Horned Cattle . . . . .	192,645	crowns
Institute of Lower Austria for the Insurance of horses		
» Moravia . . . . .	219,611	»
» Carinthia . . . . .	36,674	»
» Upper Austria for the Insurance of		
Horned Cattle . . . . .	17,435	»
Institute of Upper Austria for the Insurance of		
Horses . . . . .	26,545	»
Institute of Tyrol . . . . .	16,419	»

Comparing the total amount of premiums for various years with that of the subventions we get the following table

	Year	Premiums and Policy Charges	Subventions
Prov. Institute of			
Lower Austria .	1901-1909	10,771,035	2,637,766
Prov. Institute of			
Carinthia . . .	1903-1909	401,146	173,168
Prov. Institute of			
Moravia . . .	1903-1908	2,138,025	820,000
Prov. Institute of			
Upper Austria .	1908-1909	149,606	59,601
Prov. Institute of			
the Tyrol. . .	1908	6,470	16,419

The movement in favour of cattle insurance has been more intense in Lower Austria than in the other provinces: in fact, towards the end of the year 1909 the greater part both of the cattle and the horses there had been insured.

The total premium income of the 9 Institutes in 1909 amounted to 2,643,009 crowns and the amount of compensations paid to 2,848,908. The working expenses called for a sum of 862,253 crowns, that is to say, 31.9 % of the premiums.

Finally, the number of animals insured and their insurance value, in 1909, were as follows:

	Head of Cattle Insured	Amount Insured in crowns
Prov. Institute of Lower Austria for Insurance of Horned Cattle . .	165,638	47,532,390
Prov. Institute of Lower Austria for Insurance of Horses . . . . .	54,921	33,182,400
Prov. Institute of Moravia for Cattle Insurance . . . . .	108,758	36,813,070
Prov. Institute of Carinthia for Cattle Insurance . . . . .	22,927	5,291,400
Vorarlberg Institute for Cattle Insur- ance . . . . .	10,255	3,684,057
Hungarian Institute for Cattle Insur- ance . . . . .	30,531	14,407,609
Prov. Institute of Upper Austria for Insurance of Horned Cattle . .	9,495	2,300,620
Prov. Institute of Upper Austria for Insurance of Horses . . . . .	4,511	2,764,020
Prov. Institute of the Tyrol for Cattle Insurance . . . . .	9,559	1,965,650
Total. . .	416,595	147,941,217

(Summarised from *Ehrensweig's Assekuranz Jahrbuch* 1911, 3<sup>rd</sup> part)



# **INSURANCE**

## **FRANCE.**

### **RECENT NEWS.**

#### **1. Legislation and State Intervention in regard to Agricultural Insurance.**

**The Last Report of the Minister of Agriculture to the President of the French Republic on the Agricultural Mutual Insurance Societies.** — We have already published, in the 3rd number of the Bulletin, the same statistical data as were presented in the Minister's Report. We shall therefore here limit ourselves to a summary of the considerations in the report which served as complement to the figures.

In the last ten years, these institutions have made marvellous progress, under the double influence of a special legislation and of favours of which the authorities have made them the recipients.

Cattle Insurance is, at present, much the most developed, since it represents alone, 8,486 societies, out of a total of 10,791; this is because this branch of insurance was the first established, and the department of agriculture, desirous of organizing the agricultural mutual societies, proceeded methodically and began with the simplest and easiest applications.

The Minister then puts on record the untiring activity and devotion, with which from the very first, the Prefects, and Professors of Agriculture, have collaborated in the propagation of this idea, as also have the agents entrusted with the inspection of the working and the discovery of the requirements of these societies on the spot.

Cattle Insurance is now in operation in every region without exception and its organization is much advanced in nearly fifty departments, where, independently of the local societies, there exist federations or reinsurance societies, undertaking, in certain definite cases, a part of the risks of the local societies.

*Fire Insurance*, indeed, presents much more important risks than cattle insurance, and besides the delimitation of the agricultural risks, the only ones the agricultural mutual insurance societies have the right to insure, is often difficult in practice. Thence, hesitations and apprehensions, which, at the start, paralyzed the organization and the advance of mutual fire insurance societies. The success of the cattle insurance societies, and the experience acquired by our farmers, have very happily modified the situation, and, from 1904, fire insurance has made progress far more rapid even than cattle insurance.

It would be most desirable were it the same for *insurance against hail*, that terrible scourge which every year causes the farmers such loss and ruin. Unfortunately, we are here in presence of enormous risks affecting the different regions very unequally and which, consequently, according to the laws of insurance should be distributed over the whole surface of the country. The consequence is that this insurance can only be efficiently organized, when inter-departmental reinsurance societies have been formed and an institution for transacting business in the third degree placed above them. The Central Society, the foundation of which is called for by the Government, will be necessarily led to extend its operations to reinsurance against hail, and then the difficult problem, which has long occupied the attention of the authorities, will be solved.

The mutual insurance societies against hail at present existing, still few in number, are isolated one from the other and only dispose of very limited resources, insufficient to meet all eventualities, and they have rather the character of mutual aid societies than of insurance societies, properly so called.

The mutual insurance societies against accidents in agricultural labour are at present seven, but a certain number of societies of this character are in course of formation in the department of Indre et Loire and in the Charentes.

In general, the results obtained by the agricultural mutual societies are most satisfying, and show that every day the ideas of thrift and solidarity are penetrating further into the great masses of rural democracy. And yet, if what has been accomplished is considerable, there still remains much to be done for the completion of the organization for agricultural insurance.

We may understand this from the fact that the cattle insurance societies, which are far the most numerous, only represent to-day an insured capital of 532 millions, or about the tenth part of the livestock of France. On the other hand, the local societies are still defective in many respects, and, further, more than half of those existing are not federated or reinsured, and, in consequence of their isolation, are exposed to serious possibilities.

To bring a remedy to this state of things, the Government proposes the institution of a central Reinsurance Society, with regard to which we refer our reader to the article on the recent debate in the Chamber of Deputies, in connection with the Agricultural Estimates.

(Summarised from the *Journal Officiel*, 1st January, 1911).

## 2. Work of the Agricultural Insurance Institutions.

1. **Work of the Mutual Cattle Insurance Societies in 1909.** — With regard to cattle insurance it is difficult as yet to obtain the latest reports of the societies; therefore we shall take the statistics of the financial year, 1909, limiting ourselves to giving afterwards a few general data as to the progress of this branch in the year 1910.

According to the *Moniteur des Assurances*, the agricultural insurance societies in France, have not yet taken that extension that the area of the cultivated land and the importance of the livestock farming would admit of. The farmers, especially those of the small or medium sized farms constituting the mass of the landowners, insure, all or nearly all, against fire, but they have not yet sufficiently considered the very great advantage of guaranteeing themselves against the unexpected death of their cattle, whether this is due, to sickness as in the case of epidemics of contagious disease, or simply accidental; we must, without doubt, recognise as the reason for this state of mind, the exaggeration of the spirit of thrift, which we cannot help thinking is here greatly misunderstood, in view of the risks run.

It is difficult to furnish data in any complete form for all the associations at work in France: we can give statistical information only with reference to the 10 following societies, showing the progress made by cattle insurance in 1909.



Statistical Table of Operations of the Year 1909

Year of Foundation	Head Quarters of Society	Name of Society	Number of Insured	Value Insured	Revenue	Losses		Reserve, end of 1909
						Number of Disasters	Amount of Losses	
1874	Paris	Avenir	12 567	32 530 010	1,203,851	1,542	1,004,164	381,951
1872	Paris	Bétal	665	567 190	17,933	31	11,903	922
1863	Dreux	Bon Laboureur	2 024	5 410 240 (1)	202,882	240	149,760	15,260
1879	Paris	Caisse des propriétaires	2 915	3 017 870	92 247	181	102,930	*
1865	Paris	Garantie fédérale	11 518	20,312 940	787,571	1,611	792,923	140,418
1873	Charres	Garantie Mutuelle d'Illicie-	9 000	15 000 000 (1)	498,000	749	420,000	153,013
1856	Dreux	Maternelle	505	1 029 110	31,856	62	31,656	*
1894	Nemours	Provoyante	672	915 230 (1)	34,570	50	23,110	13,640
1854	Pithiviers	Union Beauceronne	709	822 950	51,036	97	46,786	3,371
1905	Paris	Fédération des agriculteurs- français	1,036	2 178,317	113,535	180	76,554	658
Total			42,511	41,613 763	3,033,290	4 743	2,659,786	709,233

(1) Approximate figures

According to the *Moniteur des Assurances*, the results obtained in 1909 were very satisfactory, taken as a whole; the receipts, and the rates of dividend had, in fact, increased. We must however repeat that the progress made by the various cattle insurance societies does not appear to correspond to the needs of a country like France; example should be taken from the other branches of insurance for the establishment of a more considerable organization of their material.

(Summarised from the Paris *Moniteur des Assurances*, 15th October, 1910 and the Paris *Argus*).

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2. **Sketch of the Results obtained by the Insurance Societies against Hail in the year 1910.** — According to the *Argus*, without being brilliant, the year 1910 ended better than one might have expected from the opening of the campaign. It gives us occasion to say that time is a great master and things always turn out well in the end.

The current financial year, except as to results, in no way resembles its predecessor. Last year, the campaign opened under the most favourable auspices; Spring and a part of Summer passed without great storms. But the later portion of the year spoiled everything. Hail fell abundantly and changed to brass what in the beginning appeared to be gold.

The contrary has happened this year. In May and June we had to record great disasters; then, the sky cleared, the storms ceased and the end of summer was more favourable than we should have expected at first.

At the end of June the fight against the hail seemed desperate: ultimately, it did not turn out so badly.

Without doubt, concludes the *Argus*, it is no great profit we shall be able to record; yet the societies, considered as a whole, have closed accounts with an appreciable surplus, and if, we are far from the years that have favoured us exceptionally, we should still be wrong to complain.

We give here, first, the approximate results obtained by the principal societies doing this class of insurance business in France:

(a) As to the **Companies limited by shares**, we shall only summarise here the data furnished by the *Abeille* and the *Confiance*, with headquarters in France. In the following number of the Bulletin we shall speak of the Brussels *Continental*.

The *New Abeille Society for Insurance against Hail* was created as a successor to the former *Abeille*, a Fixed Premium Society of Insurance against Hail, which, founded in 1856, for fifty years, with no provision for renewal in its rules, was obliged to go into liquidation on the

26th June, 1906, although quite prosperous. Since the 1st January, the new society has taken the old simplified title *Abeille grêle*, without any addition. Its capital is four millions, divided in 16,000 nominal shares of 250 francs each.

For the year, 1910, its position was approximately as follows:

*Revenue :*

Net premiums, policies and riders . . .	Frs. 3,800,000
Interest and miscellaneous receipts . . . »	120,000
	<hr/>
	Frs. 3,920,000

*Expenditure :*

Losses and expenses of settlement . . .	Frs. 2,026,000
Taxes, commissions, general expenses and bad debts . . . . . »	1,246,000
	<hr/>
	Frs. 3,272,000
Probable surplus . . . . . »	648,000
	<hr/>
	Frs. 3,920,000

The *Confiance* is the other Limited Liability Fixed Premium Society for Insurance against Hail, working in France. Its headquarters are in Paris, and, together with the *Abeille*, it constitutes the Syndicate of Fixed Premium Societies for Insurance against Hail, the principal object of which is the study and the defence of the interests of the Fixed Premium Insurance Societies against Hail.

The capital of the *Confiance* is two millions,  $\frac{2}{3}$  paid up.

According to the *Argus*, the *Confiance grêle* will have maintained its position this year, and the surplus it publishes, will be but little less than that of last year.

These are the figures :

*Revenue :*

Net premiums, policies and riders . . .	Frs. 1,660,000
Interest and miscellaneous receipts . . . »	50,000
	<hr/>
	Frs. 1,710,000

*Expenditure :*

Losses and expenses of settlement . . .	Frs. 990,000
General expenses, commissions, taxes, bad debts, etc. . . . . »	485,000
	<hr/>
	Frs. 1,475,000
Probable surplus . . . . . »	235,000
	<hr/>
	Frs. 1,710,000

(b) the **Mutual** societies, for their part, have also had a relatively good year.

The *Toulouse Society*, founded in 1826, report, losses to the amount of 812,000 francs, to which must be added the expenses of settlement, amounting to 45,000 francs, or an increase of about 300,000 francs on last year's losses.

It has, however, had a surplus which permits it to raise its reserve fund from 2,616,000 francs to 2,765,000 francs.

*La Ferme*, of which the headquarters are in Paris, and which also does business in Algeria, reports losses of 680,000 francs as against 568,000 francs in 1909. Still it increases its reserve fund and raises it from 1,913,000 francs to 2,250,000.

The *Cérès* is the oldest mutual insurance society against hail, engaged in this business in France; it was authorized to work by Government Orders of 29th January, 1823, 1st April 1847, and by decree of 11th August, 1866. Its headquarters are in Paris.

This year its losses do not appreciably exceed those of last year: 257,810 francs as against 225,785 francs. Its reserve fund rose from 1,038,060 francs to 1,160,460 francs.

The *Garantie Agricole* is another mutual society, with headquarters in Paris, but authorized to work throughout the whole of France. According to the *Annuaire des sociétés d'assurances* of 1911, this society is organized in such a way that each department forms a distinct mutual society. In case of losses the other departments come to the assistance of the region all of the resources of which are exhausted.

In the year 1910, more losses were reported than in the previous year, which was exceptionally favourable for this society, since it suffered only 20,000 francs worth of losses, while in 1910, these amounted to 68,730 francs. This has not, however, prevented it from raising its reserve fund from 594,612 francs to 726,278 francs.

In the *Etoile* (mutual society created and authorized by Royal Order of 7th June, 1834, with headquarters in Paris) the losses have been high enough: 789,538 francs against 142,917 francs in 1909.

Consequently, a small diminution of reserve funds reduced from 2,468,806 francs to 2,404,618 francs.

The *Mutuelle grêle de Seine et Marne*, the headquarters of which are at Melun, suffered the common fate. More losses than in 1909: 344,198 francs against 54,673 the previous year. Here, also, diminution of the reserve fund: 534,548 in 1910 against 737,247 francs in 1909.

The *Beauceronne Vexinoise*, the headquarters of which are at Dreux (Eure-et-Loir) reports 166,328 francs losses against 42,123 francs in 1909. Its position is normal.

The *Régionale du Nord* is a mutual society of variable premiums, the headquarters of which are at Laon (Aisne), but which works in the

Ardennes, Marne, Nord, Oise, Pas-de-Calais, Somme and the neighbouring arrondissements; it was founded in 1869, for a period of fifty years, with right of renewal.

This was a good year for it: 37,238 francs losses in 1910 against 32,966 in 1909. Increase of the reserve fund, which rose from 107,215 francs to 134,711 francs.

The *Mutuelle grêle de Seine et Oise* was founded in 1854 for a period of 30 years, renewed in 1884 for 30 years. Its headquarters are at Paris. This year it had: 42,536 francs losses as against 25,083 francs in 1908. It, however, increased its reserve fund and brought it up to 158,952 francs.

Finally, for the *Rurale*, mutual society, with headquarters at Lyons, with fixed premiums and a guaranteed capital of 1,600,000 francs, the losses have been very high: 320,000 francs as against 114,021 francs.

We have no data for the other mutual societies, but we think that those we have just given are enough to show the general state of the balance sheets for the last year, 1910.

According to the *Argus*, the situation is normal; the positions have been kept, since, on the whole, the reserve funds have only been slightly affected. Diversely from the case with the fire insurance, the campaign began badly. The end set everything right. The surplus profits also have nothing sensational about them, but still they are very satisfactory.

(Summarised from the Paris *Argus*, 30th October, 1910, 1st, 8th January, 1911, and the *Annuaire des Sociétés d'assurance opérant en France* (Annual of the Insurance Societies at Work in France), published by *La Semaine* (The Week), Paris, 1911).

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**3. The French Farmers' Mutual Insurance Syndicate against Accidents in Agricultural Labour.** — This Society, with headquarters in Paris, insures to-day 600,000 hectares of land, vineyards, meadows and forest, belonging to 14,000 insured.

The annual amount of its contributions comes to 740,000 francs and its reserve fund which, on the 31st December, 1909, was 525,000 francs will probably exceed 600,000 on the 1st January, 1911. It will have dealt with more than 3,200 accidents in the course of the year 1910.

It has been completed by the recent creation of another society, with the same president, the same management and the same headquarters, the French Farmers' Mutual Accident Society, the object of which is insurance against risks from hunting, motorcars, horses, carriages, servants, etc.

(Summarised from the *Bulletin de l'Union Centrale des Syndicats des Agriculteurs de France*, Paris, 1st January, 1911).

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# INSURANCE

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## ITALY.

### RECENT NEWS.

#### 1. Legislation and State Intervention in regard to Agricultural Insurance.

**Bill on Obligatory Insurance against Accidents in Agriculture.** — On the 5<sup>th</sup> December, 1910, the Prime Minister, Signor Luzzatti, in agreement with the Minister of Agriculture, Signor Ramerì, and the Minister of Finance, Signor Facta, presented to the Senate a Bill on Obligatory Insurance against accidents in agricultural labour. in our next number we shall publish a special article upon this bill, of which we shall give the text.

#### 2. Work of the Agricultural Insurance Institutions

1. **Societies of Insurance against Hail, in Italy, in 1909.** — The work of Insurance against hail in 1909 was much more active than in the preceding years and the results from the industrial point of view were generally good.

In the following table the general results for the financial year, 1909, are compared with those of the preceding years, beginning with 1896:

1	2	3	4	5	6	7	8
Year	Insured value frs	Premiums frs	Average premiums %	Losses frs	Average of Losses %	Expenses and commissions frs	Average Expenses frs %
1896	176,266,302	9,173,802	5 2	6,499,436	70 0	1,639,544	17
1897.	173,654,327	8,830,196	5 1	6,549,180	74 0	1,623,760	18
1898	224,433,545	11,183,399	4 8	6,790,157	61 1	1,961,184	18
1899	235,140,486	10,845,977	4 6	7,109,417	66 0	1,891,264	17
1900	238,802,938	11,019,583	4 6	5,981,805	54 0	2,119,474	20
1901	252,213,932	11,520,824	4 6	9,873,590	85 9	1,971,851	18
1902	262,096,856	11,648,137	4 5	10,260,357	88 4	2,084,673	18
1903	308,628,002	12,667,400	4 0	7,524,025	58 8	2,529,210	20
1904	327,827,685	14,116,303	4 4	14,117,342	100 0	2,530,123	18
1905	343,832,483	15,675,638	4 6	22,483,821	144 1	2,550,528	15
1906	367,601,247	18,180,866	5 0	11,896,201	65 0	2,917,122	16
1907	371,025,462	18,776,803	5 0	10,323,589	54 0	3,120,734	16
1908	392,814,125	18,809,620	4 7	11,239,713	59 0	3,089,628	16
1909	428,048,409	20,262,724	4 7	13,564,525	67 8	3,495,543	17

As appears from the above figures, the progress of the societies insuring against hail between 1896 and 1909 was considerable; the value of the agricultural produce insured is almost threefold, the premiums collected have increased by more than eleven millions and the compensations for losses have increased in proportion in 14 years the societies have paid about *150 millions* of francs in compensations.

The financial year 1909 was not so good as the preceding, the average compensations passing, as is seen from the above table, from 59 % to about 68 %. The data we have as yet for 1910 permit us to believe that the average losses will far exceed 68 % of the premiums.

If we observe the figures referring to this period of fourteen years, we find four years in which the losses were less than 60 % of the premiums, 5 in which they ranged between 60 and 70 %, 3 between 70 and 88 %, 1 in which they reached 100 % and 1 in which they even exceeded 100 %.

In the following table we show the data taken from the statements of 19 Societies of Insurance against Hail: amongst these the mutual societies are the most considerable in number, the limited liability societies in economic strength.

Year of foundation	Name and headquarters of the Society	3	4	5	6	7	8	9	10	11	12	13
		Value insured	Gross premiums	Average of gross premium	Losses and expense of estimation	Average of losses	Expenses and commissions	Average of expenses	Value reinsured	Premiums ceded	Repayments reinsured	Taxes paid
		Francs	Francs	%	Francs	%	Francs	%	Francs	Francs	Francs	Francs
1889	Anonymous Society, Milan.	105,100,441	4,942,930	4.9	3,151,109	63.0	648,859	13	43,211,850	1,933,554	1,472,903	193,565
1857	Mutual Aid, Id.	69,300,590	3,330,602	4.7	3,037,765	92.0	403,179	13	2,000,000	97,500		164,489
1875	Equality, Id.	57,949,936	2,621,202	4.5	1,199,807	46.0	593,104	22				77,097
1893	Southern-Trieste, Id.	53,895,095	2,714,970	5.1	1,972,856	73.0	459,208	17	10,263,595	523,548	494,653	97,253
1896	Catholic Society, Verona	31,923,850	1,490,668	4.6	809,791	54.0	259,959	17	7,400,000	298,577	204,477	43,120
1892	Royal Hail, Bologna	31,206,216	1,321,901	4.2	795,783	61.0	253,710	19	3,399,111	159,945	110,698	54,843
1904	Italica, Milan	21,605,848	1,120,746	5.0	696,805	63.0	221,677	20	3,400,000	159,844	84,786	37,202
1887	Prudence, Id.	8,597,766	447,916	5.6	300,408	68.0	107,523	24	420,000	16,909	10,189	7,715
1901	Providence, Id.	5,100,000	205,810	4.1	155,601	77.0	27,621		1,400,000	54,918	52,965	2,440
1898	Gen. Anonymous, Id.	5,408,819	270,722	5.5	142,397	50.0	83,843	31	900,000	36,667	24,852	5,638
1906	Lomellina, Id.	6,800,000	272,421	4.0	245,060	83.0	68,921	25	890,000	35,806	30,122	4,282
1904	Mutual Society, Id.	7,687,028	346,944	4.6	208,030	60.0	86,280	25	1,732,779	78,631	56,099	7,196
1893	Vercellese, Vercelli	6,413,680	378,177	5.9	308,938	81.0	65,100	18				7,008
1893	Interprovincial Union, Cremona	4,854,542	130,088	2.6	90,618	70.0	22,936	17	933,094	25,899	18,148	3,725
1906	Agricultural Association, Rome	5,249,451	218,829	4.3	101,951	49.0	63,066	28	780,000	31,538	10,784	5,170
1904	Aurora, Ferrara	3,096,839	143,080	4.8	73,163	52.0	46,911	33	1,350,000	54,768	40,985	7,662
1909	Mutual-Tobacco, Rome	1,173,771	97,555	8.8	160,274	17.5	24,117	25	742,858	60,257	124,454	855
1897	Co-operative, Vercelli	1,782,980	137,751	7.6	72,141	54.0	24,293	17				20,783
1908	Universal, Milan	811,597	64,393	8.0	23,938	37.0	35,086	54	400,000	30,179	19,744	
	Total	428,048,409	20,262,724	4.7	13,564,525	67.8	3,495,543	17.4	79,223,287	3,598,630	2,755,859	739,043



As to the average rate of premium, which is, as we have seen, 4.7 % we must observe that it varies from society to society according to the different nature of the risks undertaken. Thus, in the Co-operative Society of Vercelli, the average rate is 7.6 % because it more particularly insures " risone " (a kind of rice), a very delicate crop and very liable to be injured by hail; the *Mutual-Tobacco* Society, which, last year, insured only tobacco, an equally delicate crop, gathered late in the year, shows a rate of 8.8 %; on the contrary, the Societies specially occupied with cereals have lower average rates. The very low rate of the Cremona Interprovincial Union, which is 2.6 %, must be attributed to the very small amount of damage done by hail in that district, which has permitted of this society collecting only half of the premiums subscribed by its members.

The general average of the expenses is 17.4 %. The societies undertaking several branches of insurance have less expenses than those insuring only against hail; the reason is that they can pay their agents lower commissions and subdivide the general expenses and the working expenses in different branches.

The percentage of losses varies according to the choice of risks and their distribution by the Societies in zones more or less extensive.

As to the reinsurance societies, they are beginning to make special progress. About a fifth of the insured values and of the subscribed premiums have been ceded to reinsurance societies, and this has been especially done among the societies of most recent foundation in Italy. Altogether, a capital of about 79 millions have been reinsured, for an amount of 3,598,630 francs value of premiums and a contribution of 2,755,859 francs towards the payment of compensations and of expenses has been received from the insurance societies.

The societies for insurance against hail have, this year, provided the Treasury with about 740,000 francs in taxes, equal to 3.70 % of the income from the premiums.

The financial year, then, has been profitable enough. In fact, the percentage of losses (67.8), together with that of the expenses (17.4), and the profit of the reinsuring societies (4.2), and taxes (3.7), gives a total of 93.1; consequently, the profit of the insurance societies was 6.9, equal to about 1,400,000.

(Summarised from *L'Assicurazione*, Rome, no. 635, 1st-15th December, 1910).

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2. Notes upon Some Insurance Societies against Hail and Fire. — The *Italica Grandine* (Italian Hail). This limited liability Society for Insurance against Hail, of which the headquarters are in Milan, held its ordinary General

Meeting on the 22nd January, in order to submit to the shareholders the Annual Statement of accounts for 1910, closed on the 31st December

In 1910, the business of insurance against hail was not, generally speaking, encouraging for the Societies. To show the frequency, intensity and extent of the hail storms in the last working year, the "Italica" has made the following comparison between the results obtained in 1909 and those of 1910

Year	Days of hail	Provinces affected	Communes affected	Declarations of losses	Compensations paid and expenses of valuation
1909	71	33	503	1700	Francs 696,806 11
1910	112	41	711	2776	919,694 26
Increase	41	8	208	1076	222,888 15

So large a number of disasters caused a loss on the Balance sheet of only 7,000 francs, as the Society obtained a refund of taxes to the amount of 18,000 liras

The share-holders, who, for several years, received a dividend of 10 per cent, this year, received none at all

Here are further data in connection with this society

Year	Offices working	Communes insured	Policies issued	Value insured without reinsurance	Premiums reinsurance deducted
1909	141	1440	4581	Francs 17,753,218	Francs 861,325 71
1910	146	1525	5597	23,842,604	1,077,659 14
Increase	5	85	1016	6,089,386	216,333 43

This Society largely reinsured its excess risks, which, on the other hand, limited the reinsurance of other societies, since the work now directly done in many districts is so abundant that it does not permit of an increase. In return for 128,265.33 francs value of premiums ceded to reinsurance societies, the "Italica" received from them assistance to the extent of 156,213.63 for compensation of losses and 23,016.55 for expenses. Thus, by reinsurance the losses of the year were reduced by more than 50 thousand francs.

The work of this Society extends to all the provinces of Northern and Central Italy; it has only been one year at work in Southern Italy; 29 offices established in 9 Southern provinces obtained 276 contracts for 2 millions worth of produce insured.

The assets of the Institute amount to 2,520,228.10 francs: of which 579,000 francs deposited in current account in Banks deserving of confidence, and 398,000 francs in railway bonds, bonds of the land credit banks, Government Revenue and other negotiable paper.

Adding to the capital in shares of 2 millions of francs and to the 180,000 francs reserve funds, the revenue from the premiums of the next year, which will amount to 1,200,000 francs, we have a total security of 3,380,000 francs.

*Anonima Generale d'Assicurazioni* (General Limited Liability Insurance Society). This Company, which has its headquarters at Milan, has a capital of 1,300,000 francs and undertakes risks of fire and hail. It recently closed its accounts for 1910. In comparison with 1909, the hail department in 1910 did better as far as business is concerned, but suffered more losses. This is seen from the following figures:

Year	Value Insured	Premiums	Losses
	Francs	Francs	Francs
1909. . .	5,408,819	276,722 76	142,397 73
1910. .	9,056,113	424,298 47	419,456 25
Increase	3,647,294	147,575 71	277,058 52

The number of policies issued in 1910 was 3,778, with an increase of about a third; the compensations paid amounted to 2,152, that is to say, to more than twice those of last year.

As to the business done in the fire department, more than 10,000 new policies were issued in 1910, for an amount of about 50 millions and 120,000 francs premiums.

*Agricultural Association of the Provinces.* — This is a Society for insurance against hail, of which the headquarters are in Rome. Last year, owing to the frequency and exceptional intensity of the hailstorms, it received 1,477 declarations of loss, against 2,300 policies issued, and it paid 321,627.51 francs compensation against 286,234.16 francs premiums collected. It reinsured largely. We must note that this Society also does an agricultural credit business, that is to say, it provides loans in cash for agricultural works and purchase of supplies; for this purpose it has obtained the special assistance of a large Bank, which permits of its per-

forming these operations on an extensive scale. And, as we have already said in the first number of the Bulletin, p. 344, it has also taken steps to begin *insurance against accidents in agricultural labour*, limited to cases of death and permanent incapacity, with special facilities for those insured against hail.

*Royal Hail Society.* — The members of the Bologna Royal Hail Society were called together on the 27th January to pass the accounts for the 18th financial year, 1909, with which the period of co-operative management closed; in fact, with the year 1910, business began under the régime of a Society limited by shares, with a capital of 2,250,000 francs, and 750,000 francs reserve fund in terms of the regulations. If we add to this 1,250,000 francs for premiums (revenue of 1909), we get a capital of 4,250,000. In 19 years of its existence this society has paid the farmers of the different provinces of Italy 7 millions in compensations.

*Mutua Grandine* (Mutual Hail). — The Milan Mutual Hail Society, on the 31st July 1910, registered the following results. 79 millions value insured, with 3,645,062 francs premiums and 2,920,000 francs of losses already compensated, that is to say 1 million more of loss than last year at the same date.

*The Land Estate Insurance Society.* — At the last ordinary annual meeting of this Fire Insurance Company, the headquarters of which are at Florence, the examination and approval of the accounts for the financial year, 1909, were proceeded with. The insured capital had risen from 4,278,000,000 frs. to 4,332,000,000 frs. The new business arranged during the year brought in 1,992,975.81 frs. premiums. Adding to that the premiums already in course, the cash, as appears from the following figures, amounted to 5,785,460.84 frs.

Operations in course on 1st January 1909:

Direct Business . . . . .	Fr. 3,561,147.21
Reinsurance accepted . . . . .	» 231,337.82

Operations concluded in the year 1909:

Direct Business . . . . .	» 1,089,602.73
Reinsurance accepted . . . . .	» 903,373.08

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Total . . . Frs. 5,785,460.84

The Bills and Acceptances of the Society amounted to more than 25 millions, recoverable in 10 years (1910-1919).

The general percentage of disasters was 51.

In the month of June, the Company had:

Paid up Capital . . . . .	Frs. 8,000,000.00
Regulation Reserve Fund . . . . .	» 1,600,000.00
Special Thrift Fund . . . . .	» 1,000,000.00
Reserve for future dividends . . . . .	» 117,308.05
» for doubtful credits . . . . .	» 30,000.00
» for current risks . . . . .	» 1,699,914.46
» for losses suffered . . . . .	» 1,836,906.32
Brought Forward . . . . .	» 44,601.74

Total security . . . . Frs. 14,328,730.57

(Summarised from the *Associazione*, Rome, nos 615, 623, 628, 637, 639, 1910-11)

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3. **The Milan Federation of Mutual Cattle Insurance Societies.** — On the 26th of last December, the Meeting of this Federation, founded on the initiative of the *Humane Society*, was held at Milan, at the headquarters of the *Humane Society*, which has endowed the Federation with an initial working capital.

During this first year of its work, the Federation has not only lent its assistance to the Federated Societies for their administration and book-keeping but it has also acted as a subvention society for the mutual insurance societies which have suffered most by mortality of cattle.

In the following table, we give the affiliated societies and the most important data concerning them for the year 1910.

Federated Mutual Societies	Number of Head of Cattle Insured	Capital Insured	Federal Contribution paid in 1910	Disasters of the Year, 1910		% of Damage
				Number	Amount	
Abbiategrosso	168	59,000	59.00	10	2020.00	3.42
Cassano d'Adda . . .	216	75,600	75.00	7	869.25	1.15
Turbigo . . . . .	190	66,500	66.50	4	558.90	0.84
Gerenzano . . . . .	96	33,600	33.60	3	173.00	0.51
Nerviano . . . . .	100	35,000	35.00	0	0.00	0.00
Bareggio . . . . .	.	..	.	..	..	..
	770	269,700	269.70	24	3621.15	..

The revenue of the Federation, in 1910, was as follows:

Subsidy from the <i>Humane Society</i> . . .	Frs. 500.00
Contributions . . . . .	» 269.00
Interest . . . . .	» 35.00
Total . . .	Frs. 804.70

The meeting then decided to grant subsidies as follows:

to the Mutual Society of Abbiategrasso . . .	Frs. 172.70
» » Cassano d'Adda . . .	» 100.00
» » Turbigo . . . . .	» 70.00
» » Gerenzano . . . . .	» 35.00
» » Nerviano . . . . .	» 25.00

and to place 400 francs to the Reserve Fund.

Then they proceeded to discuss and approve the new rules for the government of the legally constituted Federation.

And together with the approval of the Rules they determined upon the immediate legal constitution of the Federation, which it is hoped may be ready for work in 1911 as a Reinsurance Society for the Federated Mutual Cattle Societies.

(Summarised from *L'Umanitaria per i lavoratori dei campi* (The Humane Society for Field Labourers). Milan, no. 86, 15th January, 1911).

### 3. Miscellaneous Information.

**1. The new Programme of the Work of the National Committee for Agricultural Mutual Societies: A Congress for Mutual Insurance against Agricultural Accidents.** — We have already given information as to the work of the above Committee in the first volume of the Bulletin, p. 299, and in the succeeding numbers we have mentioned recent meetings of the organizers and promoters of the Italian movement in favour of mutual societies, at Reggio Emilia and in Rome and promoted by it. We shall now add that the Committee, the better to advance its action, has transferred its headquarters from Piacenza to Rome and has elected the Hon. P. E. Ottavi as its President, and Dr. M. Casalini as its Manager. Dr. Ottavi has summed up the new programme of work in the following words: "to encourage the foundation of mutual cattle and fire insurance societies, and mutual societies for insurance against hail and accidents in labour; to urge their federation with the principal object of their inspection and reinsurance." The end to be pursued will be technical, "outside the sphere of any political or religious party".

A special work will be the collective registration of small landholders in the National Thrift Society.

Finally, on the initiative of the Committee, at the end of February, under the Honorary Presidency of Signor Raineri, Minister of Agriculture, a Congress was held in Milan, in which the use was discussed that might be made of mutual insurance, practised directly by the farmers, for the application of insurance against accidents in agriculture.

The order of the labours of the Congress was fixed as follows:

1. Inauguration Discourse. Dr. E. Ottavi, Deputy, President of the Committee.
2. The Mutual Idea in Insurance against Accidents in Agricultural Labour. Dr. M. Abbiate, Deputy.
3. Communication upon the Work of the Existing Societies:
  - (a) Vercelli Mutual Society;
  - (b) Milan Mutual Society. Opener of the Debate: Senator E. Conti;
  - (c) Florence Mutual Society. Opener of the Debate: Senator E. Conti.
4. For a Federation of Mutual Societies against Accidents in Labour. Opener of the Debate. Dr. M. Casalini, Manager of the National Committee.
5. Miscellaneous communications.

In one of the following numbers of the Bulletin, we shall give a report of the meeting.

(Summarised from the *Giornale di Agricoltura della Domenica* (Sunday Journal of Agriculture), Piacenza, nos. 2 and 3, 8th and 15th January 1911).



2. **The Co-operative Distributive Society, "Carnica", of Tolmezzo** has taken the important initiative of founding two co-operative societies, of which one is a **mutual fire insurance society** and the other a **mutual cattle insurance society**.

The co-operative fire insurance society, aims at taking the place of the numerous limited liability societies of the region. It will ask the members for an entrance fee not exceeding 5 francs; with these fees and the premiums collected, the society will constitute its guarantee fund or cash fund on which it will draw for payment of compensations. In its first years, in order to fulfil its own engagements, in case of grave disaster, it will reinsure in other important mutual societies, keeping for itself the proportion of risks it can guarantee.

Cattle Insurance, almost unknown in "Carnia", "was imperatively required there, because that eminently agricultural region has invested large capital in cattle breeding." Carnia, which possesses more than 20,000 head of cattle, annually suffers, by death of these, losses amounting to several tens of thousands of francs. "It was then urgent to give the farmers the means of safeguarding the principal source of their revenue."

(Summarised from *La Voce della Cooperazione* (The Voice of Co-operation), Tolmezzo, no. 10, 1910).

# **INSURANCE**

## **III. — BIBLIOGRAPHY.**





## Publications of Recent Date relating to Agricultural Insurance in various Countries.

### I. Germany.

#### a) Official Publications :

- Veröffentlichungen des Kaiserlichen Aufsichtsamtes für Privatversicherung (*Publications of the Imperial Office of Supervision of Private Insurance*). Berlin, 1910
- Amtliche Nachrichten des Reichsversicherungsamtes (*Official Information of the Imperial Insurance Societies Office*). Berlin, 1910.
- Geschäftsbericht des Kaiserlichen Aufsichtsamtes für Privatversicherung für 1909 (*Report on the Work of the Imperial Office of Supervision of Private Insurance, for 1909*). Berlin, 1910.
- Versicherungsstatistik für 1908 (*Insurance Statistics for 1908*) Published by the Imperial Supervision Office. Berlin, 1910. Guttentag
- Regierungsvorlage betr. Gesetz über die Feuerversicherung bei privaten Versicherungen. Mitt. über d. Verh. d. sächsischen Landtags 1910 21 Sitzg. S. 601-57 und 52 Sitzg. S. 1991-4 (*Bill presented by the Government for a Law on Private Fire Insurance. Mitteilungen über die Verhandlungen des sächsischen Landtags. Communications on the Debates of the Diet of the Kingdom of Saxony, 1910. 21st. Sitting, pages 601-57 and 52nd. Sitting, pages 1991-4*).

#### b) Other Publications :

- WISCHNIOWSKY G. Assecuranz-Compass. Berlin, 1911. Puttkammer and Muhlbrecht.
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PART III.

**MISCELLANEOUS.**

**(FACTS AND PROBLEMS RELATING TO AGRICULTURAL ECONOMY IN GENERAL).**



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## MISCELLANEOUS

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### I. — CURRENT QUESTIONS AND RECENT NEWS.





# MISCELLANEOUS

## UNITED STATES.

### I. — CURRENT QUESTIONS.

#### 1. Report of the Country Life Commission.

Although it is now nearly two years since the Report of the Country Life Commission appointed by President Roosevelt was presented to Congress, it is so important a document and has inspired so much of the recent work for agricultural betterment in the United States of America, that a summary of its principal contents will not be out of place in this Bulletin.

The credit of realising the importance of what is called "the country life problem," even in a prosperous agricultural country such as the United States, belongs not only to President Roosevelt, but to Sir Horace Plunkett, the founder of the agricultural co-operative movement in Ireland. Sir Horace was, for a number of years, actively engaged in farming in the United States and is still interested in agricultural enterprises in that country. It was largely owing to his influence that President Roosevelt took active steps to promote an inquiry into rural conditions in America, with a view to formulating proposals for their betterment.

In a letter appointing the Country Life Commission, President Roosevelt wrote:

"We Americans are making great progress in the development of our agricultural resources. But it is equally true that the social and economic institutions of the open country are not keeping pace with the development of the nation as a whole... I doubt if any other nation can bear comparison with our own in the amount of attention given by the Government, both Federal and State, to agricultural matters. But practically the whole of this effort has hitherto been directed towards increasing the production of crops. Our attention has been concentrated almost exclusively on getting better farming. In the beginning this was unques-

tionably the right thing to do. The farmer must first of all grow good crops in order to support himself and his family. But when this has been secured the effort for better farming should cease to stand alone and should be accompanied by the effort for better business and better living on the farm. It is at least as important that the farmer should get the largest possible return in money, comfort and social advantages from the crops he grows as that he should get the largest possible return in crops from the land he farms. Agriculture is not the whole of country life. The great rural interests are human interests, and good crops are of little value to the farmer unless they open the door to a good kind of life on the farm. "

This passage indicates the spirit in which the inquiry was undertaken, and much public interest was roused in the work of the Commission, over which Professor L. H. Bailey, of the New York State College of Agriculture, presided as Chairman. Public hearings of evidence were held in 30 different localities; a schedule of questions was addressed to more than half a million persons, no less than 115,000 of whom sent replies; numbers of meetings of country people were held in all parts of the United States to discuss the problem under consideration and reports of the discussions were forwarded to the Commissioners. In fact, the whole rural community of the United States may be said to have taken part in the inquiry.

The Commission presented its Report in January, 1909, to President Roosevelt, who transmitted it to Congress in the following month. The Report stated that while agriculture in the United States was prosperous commercially, when measured by the conditions that had obtained in previous years, it was not as profitable as it was entitled to be for the labour and energy that the farmer expended and the risks that he assumed, and the social conditions in the open country were far short of their possibilities.

The leading specific causes for the lack of a highly organised rural society were stated to be:

A lack of knowledge on the part of farmers of the exact agricultural conditions and possibilities of their regions;

Lack of good training for country life in the schools;

The disadvantage of the farmer as against the established business systems and interests, preventing him from securing adequate returns for his products, depriving him of the benefits that would result from unmonopolised rivers and the conservation of forests, and depriving the community, in many cases, of the good that would come from the use of great tracts of agricultural land that are now held for speculative purposes;

Lack of good highway facilities;

The widespread continued depletion of soils, with the injurious effect on rural life;

A general need of new and active leadership.

Other causes which the Commission enumerated as contributing to the general result were:

Lack of any adequate system of agricultural credit, whereby the farmer might readily secure loans on fair terms;

The shortage of labour, a condition that was often complicated by intemperance among workmen;

Lack of institutions and incentives that tie the labouring man to the soil;

The burdens and the narrow life of farm women;

Lack of adequate supervision of public health.

The remedies which the Commission set forth as the most fundamental or the most urgently needed were the following:

Congress could remove some of the handicaps of the farmer and could also set some kinds of work in motion, such as:

The encouragement of a system of thoroughgoing surveys of all agricultural regions in order to take stock and to collect local fact, with the idea of providing a basis on which to develop a scientifically and economically sound country life;

The encouragement of a system of extension work of rural communities through all the land-grant colleges with the people at their homes and on their farms;

A thoroughgoing investigation by experts of the middleman system of handling farm products, coupled with a general inquiry into the farmer's disadvantages in respect to taxation, transportation rates, co-operative organisations and credit, and the general business system;

An inquiry into the control and use of the streams of the United States with the object of protecting the people in their ownership and of saving to agricultural uses such benefits as should be reserved for these purposes;

The establishing of a highway engineering service, or equivalent organisation, to be at the call of the States in working out effective and economical highway systems;

The establishing of a system of parcels posts and postal savings banks;

And providing some means or agency for the guidance of public opinion toward the development of a real rural society that shall rest directly on the land.

Other remedies recommended by the Commission for consideration by Congress were:

The enlargement of the United States Bureau of Education, to enable it to stimulate and co-ordinate the educational work to the nation;

Careful attention to the farmers' interests in legislation on the tariff, on regulation of railroads, control or regulation of corporations and of

speculation, legislation in respect to rivers, forests, and the utilisation of swamp lands;

Increasing the power of the Federal Government in respect to the supervision and control of the public health;

Providing such regulations as will enable the States that do not permit the sale of liquors to protect themselves from traffic from adjoining States.

The remedies of a more general nature suggested by the Commission were:

A broad campaign of publicity, that should be undertaken until all the people were informed on the whole subject of rural life, and until there was an awakened appreciation of the necessity of giving this phase of the national development as much attention as had been given to other phases or interests;

A quickened sense of responsibility in all country people, to the community and to the State, in the conserving of soil fertility, and in the necessity for diversifying farming in order to conserve this fertility and to develop a better rural society, and also in the better safeguarding of the strength and happiness of the farm women;

A more widespread conviction of the necessity for organisation, not only for economic but for social purposes, this organisation to be more or less co-operative, so that all the people might share equally in the benefits and have voice in the essential affairs of the community;

A realisation on the part of the farmer that he had a distinct natural responsibility toward the labourer in providing him with good living facilities and in helping him to be a man among men;

And a realisation on the part of all the people of the obligation to protect and develop the natural scenery and attractiveness of the open country.

The Commission pointed out that the problem of country life was one of reconstruction and that what was required was to develop and maintain on the farms a civilisation in full harmony with the best American ideals. To build up and retain this civilisation meant that the business of agriculture must be made to yield a reasonable return to those who followed it intelligently and that life on the farm must be made permanently satisfying to intelligent, progressive people. Running through all the remedies suggested were several great principles—knowledge, education, organisation and spiritual forces. The farmer must have exact knowledge of his business and of the particular conditions under which he worked; there must be not only a fuller scheme of public education, but a new kind of education adapted to the real needs of the farming people; there must be a vast enlargement of voluntary organised effort among farmers themselves; the forces that made for morality and spiritual ideals among rural people must be energised.

In addition to the remedies enumerated the Commission urged that two or three great movements should be set under weigh at the earliest possible time, because they were fundamental to the whole problem of ultimate permanent reconstruction. These movements were as follows:

1. Taking stock of country life: the organisation under government leadership, of a comprehensive plan for an exhaustive study or survey of all the conditions that surround the business of farming and the people who live in the country, in order to take stock of the resources of the country and to supply the farmer with local knowledge.

2. Nationalised extension work: each state college of agriculture to be empowered to organise as soon as practicable a complete department of college extension, so managed as to reach every person on the land in its State, with both information and inspiration.

3. A campaign for rural progress: the holding of local, state and even national conferences on rural progress, designed to unite the interests of education, organisation, and religion into one forward movement for the rebuilding of country life.

"We must picture to ourselves a new rural social structure," says the Report, "developed from the strong resident forces of the open country, and then we must set at work all the agencies that will tend to bring this about. The entire people need to be roused to this avenue of usefulness. Most of the new leaders must be farmers who can find not only a satisfying business career on the farm, but who will throw themselves into the service of upbuilding the community. A new race of teachers is also to appear in the country. A new rural clergy is to be trained. These leaders will see the great underlying problem of country life and together they will work, each in his own field, for the one goal of a new and permanent rural civilisation. Upon the development of this distinctively rural civilisation rests ultimately our ability, by methods of farming requiring the highest intelligence, to continue to feed and clothe the hungry nations; to supply the city and metropolis with fresh blood, clean bodies and clear brains that can endure the strain of modern urban life; and to preserve a race of men in the open country that, in the future as in the past, will be the stay and strength of the nation in time of war and its guiding and controlling spirit in time of peace. It is to be hoped that many young men and women, fresh from our schools and institutions of learning, and quick with ambition and trained intelligence, will feel a new and strong call to service."

It would take more space than is at our disposal to follow the Commission into its detailed statement of the deficiencies of rural life in the United States and of the remedies to be applied. We shall, however, give a few extracts relating to the social aspect of the question, not because it is more important than the economic aspect, but because much less consideration has hitherto been given to it, and the great value of the

Commission's Report lies in the fact that it has forcibly directed public attention to the need of better living in the open country, as well as better farming and better business methods.

"The ultimate need of the open country," says the Report, "is the development of community effort and of social resources. Here and there the Commission has found a rural neighbourhood in which the farmers and their wives come together frequently and effectively for social intercourse, but these instances seem to be infrequent exceptions. There is a general lack of wholesome societies that are organised on a social basis. In the region in which the Grange is strong this need is best supplied.

"There is need of the greatest diversity in country life affairs, but there is equal need of a social cohesion operating among all these affairs and tying them all together. This life must be developed directly from native or resident forces. It is neither necessary nor desirable that an exclusive hamlet system be brought about in order to secure these ends...

"The social disorder is usually unrecognised. If only the farms are financially profitable the rural condition is commonly pronounced good. Country life must be made thoroughly attractive and satisfying, as well as remunerative, and able to hold the centre of interest throughout one's lifetime. With most persons this can come only with the development of a strong community sense of feeling."

"The correctives for the social sterility of the open country," the Report states in another passage, "are already in existence or under weigh, but these agencies all need to be strengthened and especially to be co-ordinated and federated. The regular agricultural departments and institutions are aiding in making farming profitable and attractive and they are also giving attention to the social and community questions. There is a widespread awakening as a result of this work. This awakening is greatly aided by the rural free delivery of mails, telephones, the gradual improvement of highways, farmer's institutes, co-operative creameries and similar organisations, and other agencies.

"The good institutions of cities may often be applied or extended to the open country.... Aside from the regular churches, schools and agricultural societies, there are special organisations that are now extending their work to the open country, and others that could readily be adapted to country work. One of the most promising of these newer agencies is the rural library that is interested in its community. The libraries are increasing, and they are developing a greater sense of responsibility to the community, not only stimulating the reading habit and directing it, but becoming social centres for the neighbourhood. A library, if provided with suitable rooms, can afford a convenient meeting place for many kinds of activities and thereby serve as a co-ordinating influence. Study clubs and travelling libraries may become parts of it. This may mean that the

library will need itself to be redirected so that it will become an active rather than a passive agency; it must be much more than a collection of books."

A religious organisation with many country branches is commended for its work in promoting the solidarity and effectiveness of rural life, and the Report proceeds: "The organisations in cities and towns that are now beginning to agitate the development of better play, recreation, and entertainment offer a suggestion for country districts. It is important that recreation be made a feature of country life, but we consider it to be important that this recreation, games and entertainment, be developed as far as possible from native sources rather than to be transplanted as a kind of theatricals from exotic sources.

"Other organisations that are helping the country social life, or that might be made to help it, are women's clubs, musical clubs, reading clubs, athletic and playground associations, historical and literary societies, local business men's organisations and chambers of commerce, all genuinely co-operative business societies, civic and village improvement societies, local political organisations, granges and other fraternal organisations, and all groups that associate with the church and school.

"There is every indication, therefore, that the social life of the open country is in process of improvement, although the progress at the present moment has not been great. The leaders need to be encouraged by an awakened public sentiment, and all the forces should be so related to each other as to increase their total effectiveness while not interfering with any of them. The proper correctives of the underlying structural deficiencies of the open country are knowledge, education, co-operative organisations and personal leadership."

In connection with the social aspect of the problem, the Commission gave much attention to the condition of women on the farm. "Often this condition," says the Report, "is all that can be desired, with home duties so organised that the labour is not excessive, with kindly co-operation on the part of husband and sons, and with household machines and conveniences well provided. Very many farm homes in all parts of the country are provided with books and periodicals, musical instruments, and all the necessary amenities. There are good gardens and attractive premises and a sympathetic love of nature and of farm life on the part of the entire family. On the other hand, the reverse of these conditions often obtains, sometimes because of pioneer conditions and more frequently because of lack of prosperity and of ideals. Conveniences for outdoor work are likely to have precedence over those for household work."

"The routine work of woman on the farm is to prepare three meals a day. This regularity of duty recurs regardless of season, weather, planting, harvesting, social demands, or any other factor. The only differences



in different seasons are those of degree rather than of kind. It follows, therefore, that whatever general hardships, such as poverty, isolation, lack of labour-saving devices, may exist on any given farm, the burden of these hardships falls more heavily on the farmer's wife than on the farmer himself. In general her life is the more monotonous and the more isolated, no matter what the wealth or the poverty of the family may be.

" The relief to farm women must come through a general elevation of country living. The women must have more help. In particular these matters may be mentioned: Development of a co-operative spirit in the home, simplification of the diet in many cases, the building of convenient and sanitary houses, providing running water in the house and also more mechanical help, good and convenient gardens, a less exclusive ideal of money-getting on the part of the farmer, providing better means of communication, as telephones, roads, and reading circles, and development of women's organisations. These and other agencies should relieve the woman of many of her manual burdens on the one hand and interest her in outside activities on the other. The farm woman should have sufficient free time and strength so that she may serve the community by participating in its vital affairs.

" We have found good women's organisations in some country districts, but as a rule such organisations are few or even none, or where they exist they merely radiate from towns. Some of the stronger central organisations are now pushing the country phase of their work with vigour. Mothers' clubs, reading clubs, church societies, home economic organisations, farmers' institutes, and other associations can accomplish much for farm women. Some of the regular farmers' organisations are now giving much attention to domestic subjects, and women participate freely in the meetings. There is much need among country women themselves of a stronger organising sense for real co-operative betterment. It is important also that all rural organisations that are attended chiefly by men should discuss the 'home-making' subjects, for the whole difficulty often lies with the attitude of the men."

We shall conclude this notice of the Report of the Country Life Commission by giving an extract from the Special Message which President Roosevelt sent to Congress when transmitting the Report: " It would be idle to assert that life on the farm occupies as good a position in dignity, desirability, and business results as the farmers might easily give it if they chose. One of the chief difficulties is the failure of country life, as it exists at present, to satisfy the higher social and intellectual aspirations of country people. Whether the constant draining away of so much of the best elements in the rural population into the towns is due chiefly to this cause or to the superior business opportunities of city life may be open to question. But no one at all familiar with farm life throughout

the United States can fail to recognise the necessity for building up the life of the farm upon its social as well as upon its productive side.

" It is true that country life has improved greatly in attractiveness, health and comfort, and that the farmer's earnings are higher than they were. But city life is advancing even more rapidly, because of the greater attention which is being given by the citizens of the towns to their own betterment. For just this reason the introduction of effective agricultural co-operation throughout the United States is of the first importance. Where farmers are organised co-operatively they not only avail themselves much more readily of business opportunities and improved methods, but it is found that the organisations which bring them together in the work of their lives are used also for social and intellectual advancement.

" The co-operative plan is the best plan of organisation wherever men have the right spirit to carry it out. Under this plan any business undertaking is managed by a committee; every man has one vote and only one vote; and everyone gets profit according to what he sells or buys or supplies. It develops individual responsibility and has a moral as well as a financial value over any other plan.

" I desire only to take counsel with the farmers as fellow citizens. It is not the problem of the farmers alone that I am discussing with them, but a problem which affects every city as well as every farm in the country. It is a problem which the working farmers will have to solve for themselves; but it is a problem which also affects in only less degree all the rest of us, and therefore if we can render any help towards its solution, it is not only our duty but our interest to do so. "

## 2. Road Improvement.

### Authorities :

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The "Texas Farm Co-operator," October 26th., and November 9th., 1910.

The "Farmer's Guide," December 10th., 24th., and 31st., 1910

The "Colman's Rural World," December 21st., 1910.

The "Dakota Farmer," December 1st., 1910.

The "Connecticut Farmer," December 3rd., 1910.

The "Michigan Farmer," December 31st., 1910.

Many other agricultural papers published in the United States.

The question of road improvement in rural districts has been attracting much attention of late in the United States. The importance of good roads to the agricultural community can readily be understood, but it may be worth while to quote the following statement from a letter written in October by Mr. James J. Hill, of St. Paul's, Minnesota:

"Next after the preservation of the productive power of the soil, I know of no material aid to the farming population so important as the creation and maintenance of good roads. What the telegraph is to general information and the railroad to commerce, that the country highway is to the agricultural interest...

"There are more than two million miles of roads in the United States. We spend on these from 80,000,000 dollars to 100,000,000 dollars a year. Less than 10 per cent. of the road surface has been permanently improved in any way. It has been estimated conservatively that a moderate improvement which would permit four bales of cotton to be hauled at one load instead of three, and 75 bushels of wheat instead of 55, would effect a saving of 10,000,000 dollars in the cost of hauling these two crops alone to market.

"The enormous volume of commodities that finds either its origin or its final destination on the farm or in the village must be transported over the dirt road and pay toll to the obstructions which that offers to traffic. The average country highway makes country life more lonely and less profitable than it should be; wastes time, wastes labour, wastes money, wastes life. It helps to make the farm unattractive, promotes the drift of population cityward, disturbs still further the balance of employment, aggravates almost every evil that we have come to associate with modern civilisation. The two subjects upon which it is easiest to arouse public

interest to-day are regulation of freight rates and improvement of waterways. Were all that is desired in either direction accomplished, the result could not be compared in cash value or in its social effect upon country life with the substantial improvement of the country road."

In November a meeting was held at Washington, at which the American Association for Highway Improvement was formed. The meeting was presided over by Mr. Logan Waller Page, Director of the Office of Public Roads of the Department of Agriculture, who was also elected President of the Association. Addressing the meeting Mr. Page said:

"There is no State in the Union that has a perfect good roads law, with an administrative force absolutely free from politics. One of the greatest objects of our organisation will be to bring about perfect laws in the various States. We shall also strive to have the legislatures adopt uniform laws.

"In the United States there are 400,000,000 acres of uncultivated land. With a general system of good roads running through the country, much of this land would be taken and developed into productivity. This would mean a vast increase in our commerce. Moreover it would mean that more people would leave the cities and take up farming lands. There would be greater production and, consequently, a lowering of the high cost of living.

"Education would be enlarged. Children who are now unable to attend school because of the condition of the roads at certain season of the year would be enabled to get to school without difficulty.

"We have statistics to show that the prosperity that would come to the country generally would benefit the railroads. At the present time there are certain seasons of the year when many of the roads are almost impassable. At such times the shipments of the farmers drop off 50 to 60 per cent. During these periods the rolling stock of the railroads is left idle. When the rush begins the freight trains are overworked. The irregularity of the operation causes great outlays for repairs.

"With an organisation such as that we are now organising the work of booming good roads will be systematized. At the present time no less than 90,000,000 dollars is being spent on road improvements. I venture to say that at least 40,000,000 dollars of this amount is wasted each year. We should be able to show how that sum could be used to advantage."

A further step was taken when, at the Good Roads Congress at Indianapolis in December, it was decided to make the American Good Roads Congress a permanent organisation. At the Indianapolis Congress about 1,400 delegates were present representing 40 States. The principal address was by Mr. L. W. Page, who said, in the course of his paper:

"The principle of State aid and State supervision seems to be the solution of this problem. The first State to adopt State aid was New

Jersey in 1891. Since that time two-thirds of the States have adopted some form of State aid or State supervision. Indiana is one of the States which has not joined the State movement, but we hope it is now standing on the threshold.

"I have prepared a bill embodying what I consider the principles which govern State highway law. In the first place such a law should be so framed as to remove its administration as far as possible from politics. This is sought in the bill referred to by providing for a non-paid State Highway Commission, so constituted as to have a majority of its members chosen because of their training and ability and without reference to their political affiliations, which would ensure a non-partisan and technically competent commission. The actual work of the State Highway Department should, however, be under the direction of one man possessing technical qualifications and executive ability, and hence the State Highway Commission should be authorised to appoint someone, a civil engineer, skilled and experienced in road construction and maintenance, to be State Highway Engineer and to have full executive authority in all executive work of the Department.

"The initiative in obtaining State aid should rest with the county or local authorities. This is best because in the first place, the county or local authorities are in a better position to know what roads could be advantageously improved and, in the second place, they are best able to determine the ability of the county to share in the expense of such road improvement. Another important consideration in this connection is that if the initiative were to rest with the State, there would most likely be a conflict between the States and the counties... This bill invests the initiative in securing State aid with the county authorities, but at the same time it provides that no State aid shall be granted until the application of the county authorities has been approved by the State Highway Engineer, which enables the State Highway Engineer to exercise a sort of supervisory power over the selection of roads to be improved, to the end that any roads which may be improved under the Act shall conform to a general system of highways, which he shall devise."

As recommended in this paper, the Indiana Good Roads Association is endeavouring to secure State aid for road improvement in Indiana. The Association's Legislative Committee appointed a sub-committee to draft a bill for the creation of a State Highway Commission.

There are, however, those who lay more stress on individual effort by the farmers than upon State aid. Thus, in its issue of November 9th, the *Texas Farm Co-operator* wrote: "In Texas we have seen such vast improvements accomplished by the split log drag that we wonder why every farmer who owns his land does not have a drag and keep using it. Self respect and a wish to keep his property values up ought to prompt him

to spend a few half-days a year, which is all the work necessary to keep a good dirt road in condition."

Excellent results are recorded in Iowa from the co-operation of the farmers with the local authorities in dragging earth roads. The following description has been given by a road superintendent in Hardin County, Iowa, of the method he has adopted:

"To those who have not given this matter much thought, it may seem impossible to drag the roads of a State in three hours, but it can be done, and is being demonstrated in Jackson Township, Hardin County, Iowa. If one township can drag its roads in three hours, another can; and if two townships can, a county can; and if the county can, the State can.

"My method is to employ farmers throughout the township to drag the roads, and I in particular to employ those who are most interested in good roads. Put them on stations and arrange the stations so that one meets another all over the township. Each one has a telephone and when the roads are in a condition to need dragging I call them up and start them out, and in three hours the roads of the township are dragged complete. Each one receives from the township 50 cents per mile for each dragging.

"I have followed this system for three years and never failed but once or twice to drag the roads of a township after every storm. The people of this township are enthusiastic about road dragging, and the general opinion seems to be that we can have good earth roads more days in the week and more months in the year at less cost than by any other method."

An instance of voluntary effort in road-making we extract from the *Farmer's Guide* of December 10th., 1910.

"The record for road building is held by the people of Montgomery County, Kansas. In one day, recently, twenty miles of good waggon road were built to an established grade, properly rounded and ready for the drag. The new road connects the towns of Independence and Coffeyville, and the work was done by about 1,500 men. A holiday was declared in the two towns and all the people turned out to see the fun. A series of meetings had been held in which a sentiment in favour of road improvement was aroused among the farmers and the business men of the two towns. A subscription list was started and some gave money, others the use of teams and implements, while others volunteered their labour.

"The road was surveyed, grade stakes set and culverts built and then the crowd was turned loose under the direction of two road superintendents. These superintendents cut up the road into mile sections, selecting a foreman for each mile. The men worked with a will. The wives of the farmers and club women of the two towns furnished basket lunches which

were distributed along the right of way at meal time. Feed and water were furnished for the teams. When night came the road was completed except for the dragging. The split log drag will be used on it this Winter and next Spring it will be oiled."

Voluntary work in road improvement is facilitated by the fact that the United States Department of Agriculture has made careful experiments and has issued bulletins containing full instructions for the building and repair of roads.

## II. -- MISCELLANEOUS INFORMATION.

1. **The Value of Farmers' Institutes.** — The greater number of the meetings of Farmers' Institutes are held during the winter months, and many agricultural papers take occasion to comment upon the importance of their work. Thus, in its issue of December 31st., 1910, the *American Agriculturist* writes: "In most of our farming States, there is at least one Farmers' Institute within the reach of every farmer in the State. The day has long since gone (if, in fact, it ever did exist) when the intelligent American farmer could afford to ignore or to pass by as valueless the organised meetings for the purpose of the expert discussion of farm problems.

"There is not a farmer in this country, using his head, who has not some problem that he would like to hear discussed by others who know at least as much as he does about it. The chances are that he will find somebody like this at the Farmers' Institute, or one who may possibly know more about the subject, and may be able to clear up some hazy points that have long been puzzling him."

The *Farmer's Guide*, referring to the Farmers' Institutes in its issue of December 24th., 1910, wrote: "This is the farmers' school time and they should avail themselves of the opportunity of learning more about their business. Not only should they attend the meetings, but they should take part in the discussions. That is what makes a successful Institute meeting, the discussions. Every farmer has had experiences a little different from every other farmer, and he can, therefore, add a little information to the general store that goes towards improving agriculture."

Again, in an article on "Montana Farmers' Institutes" in its issue of December 15th., 1910, the *Dakota Farmer* writes: "There never was so much interest shown before by the farmers in Institute work. Never before were they so firmly convinced as they are to-day that the Institute speakers have a message for them by which they should profit. The dry season has had its lessons and this year apparently they have been learned to some purpose. The farmers are coming out to the meetings and asking how they ought to prepare their land in order to raise a crop."



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**2. Request for Appropriation for Farmers' Institutes.** — At the Annual Meeting of the American Association of Farmers' Institute Workers, of which we give further particulars elsewhere, the following resolutions were passed:

(1) We beg to submit to the consideration of the Honourable the Secretary of Agriculture, the very great importance of a large appropriation for the Farmers' Institute Work in the Department of Agriculture. In our opinion a sum of not less than 50,000 dollars could be used annually to the great advantage of this work.

(2) We desire to recommend the enactment of legislation whereby the Federal Governments (1) shall appropriate for each State and Province for agricultural extension work a sum equal to that appropriated for experiment and research.

(3) We recommend that Congress be memorialized to grant the franking privilege for all agricultural extension mailing.

(Summarised from *Colman's Rural World*, December 28th., 1910).

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**3. American Association of Farmers' Institute Workers.** — The fifteenth Annual Meeting of the American Association of Farmers' Institute Workers was held in Washington, November 14th. to 16th., 1910. The delegates represented 37 States, the District of Columbia and three of the Provinces of Canada. Reports presented from 32 States and Territories of the United States and from five of the Canadian Provinces gave the total number of sessions of regular Institutes held during the year ended June 30th., 1910, as 20,956, with an attendance of 2,296,517.

The President, in his Annual Address, summarised the work of the Farmers' Institutes as having three general purposes:

- (1) Increasing production;
- (2) Securing a better home and community life in the rural districts;
- (3) A lessening of the all too wide margin that now exists between the prices received by the producer and those paid by the consumer.

The meeting lasted two days. It was made up of general sessions, a women's session and a session for the consideration of institutes for young people.

(1) That is, the Government of the United States and the Government of the Dominion of Canada. The Association embraces the Institute Workers of Canada, as well as of the United States,

The following recommendations, in addition to those which we publish on page 232, were adopted by the Association :

(1) We recommend that the several Directors of Farmers' Institutes, members of this Association, make the experiment within the next year of holding some Institutes for young men between the ages of fourteen and eighteen, and also Institutes for young women between the same ages, and that those so doing be requested to report success or failure at once to our Institute Specialist, Professor John Hamilton.

(2) We heartily endorse the idea of employing experts by the year to give personal instruction and demonstrations, organise farm clubs, etc.

(3) We recommend that greater consideration be given in our Institutes to subjects relating to home life, either by special women's meetings or in the general sessions. That we especially commend the excellent papers and discussions by the ladies on the subject of Women's Institutes.

(4) We beg to submit to the consideration of the Director of Experiment Stations the desirability of offering in the Annual Graduate School a course of instruction in institute and other forms of extension work.

(5) That, in view of the reported condition of the coloured farmer of the South and his relation to Farmers' Institute work, at the next Annual Meeting a report or paper be presented to this association regarding their progress, not only in institute work, but relating to their general agricultural advancement.

(Summarised from *Colman's Rural World*, December 28th., 1910).

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**4. Conservation in Indiana.** — In an address before a recent meeting of the Indiana Confederated Commercial Clubs, Mr. W. S. Blatchley, State Geologist of Indiana, drew attention to the need of saving the State's natural resources for future generations. He pointed out that the felling of the forests and the clearing of the underbrush by the pioneers had resulted in the drying up of springs and the dwindling of streams to mere rivulets. While the amount of annual rainfall had not materially lessened, it was now drained off within a few days after it reached the ground. A renewal of the old conditions could not but greatly aid in promoting the gradual discharge and the consequent purity of the springs and streams. In his opinion it was wholly impracticable to make navigable waterways of the larger streams of the interior of Indiana, but they could be put to an important use by harnessing their available water power. For several years the State Department of Geology had been gathering data for an extended work on the power sites of the streams. The soils of Indiana far outranked all other of the State's natural resources in present and future value, and the best inheritance which the farmers of the present

could leave to their sons, the farmers of the future, was a better knowledge of the elements of geology, botany and the chemistry of soils, in order that they might choose and use their fertilizers to the best possible advantage and drain their lands in the most practical manner.

(Summarised from the *Farmer's Guide*, December 10th., 1910).

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**5. The Farmer's Share of Consumers' Prices.** — The Annual Report of the United States Secretary for Agriculture, recently published, contains a discussion of the farmer's share of the price paid by the consumer for agricultural products. An investigation in 78 cities in different parts of the United States showed that the farmer received barely 50 per cent. of the consumer's price. The railways received about 7 per cent., so that 43 per cent. was received by the retailer. In regard to different classes of produce the following percentages are given as the farmer's share: Poultry, 50 per cent.; cabbage, 48 per cent. when bought by the head and 65 per cent. when bought by the pound; celery, 60 per cent. when bought by the bunch; apples, 56 per cent. when bought by the bushel and 66 when bought by the barrel; strawberries, 49 per cent. in purchases by the quart and 76 per cent. in purchases by the crate; onions, 28 per cent. when bought by the peck and 58 per cent. when bought by the barrel; oranges, 20 per cent. when purchased by the dozen and 59 per cent. when purchased by the box. The smaller the retail quantity, the smaller seems to be the farmer's share of the consumer's price.

Among many other products in regard to which the percentage is given are: Oats (by the bushel) 74 per cent.; melons (by the pound) 50 per cent.; parsnips (by the bunch) 60 per cent.; potatoes (by the bushel) 59 per cent.; string beans (by the barrel) 80 per cent.; sweet potatoes (by the barrel) 61 per cent.; turnips (by the bunch) 60 per cent.; watermelons (bought singly) 34 per cent. It is also calculated that the import value of coffee, plus the ocean freight charge, is from 23 to 40 per cent. of the principal range of retail prices paid for coffee, while the import value of tea is from 23 to 32 per cent. of what the consumer pays.

The Secretary of Agriculture concludes that the consumer has no well-grounded complaint against the farmer for the prices he pays. He says: "The farmer supplies the capital for production and takes the risk of his losses: his crops are at the mercy of drought and flood, and heat and frost, to say nothing of noxious insects and blighting diseases. He supplies hard, exacting, unremitting labour. A degree and range of information and intelligence are demanded by agriculture which are hardly equalled in any other occupation. Then there is the risk of overproduction and disastrously low prices. From beginning to end the farmer must steer

dextrously to escape perils to his profits, and indeed to his capital, on every hand. At last his products are started on their way to the consumer. The railroad, generally speaking, adds a percentage of increase to the farmer's prices that is not large. After delivery by the railroad, the products are stored a short time, are measured into the various retail quantities, more or less small, and the dealers are rid of them as soon as possible. The dealers have risks that are practically small, except credit sales, and such risks as grow out of their trying to do an amount of business which is small as compared with their number."

(Summarised from the *Farmer's Guide*, December 17th., 1910).

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**6. Demonstration Trains.** -- Much valuable work in spreading agricultural instruction has been accomplished by various railway companies in the United States which have run "demonstration trains" containing a staff of instructors, over their lines, stopping at different points so that the instructors may deliver lectures. To take an instance of this, the Rock Island Lines in June, 1910, asked Professor Cottrell, of the Agricultural College at Fort Collins, Colorado, to assist them in the agricultural development of the country tributary to their lines. Professor Cottrell personally travelled over the whole system, studying the country and its needs. He found in Oklahoma a wonderful crop of winter wheat, which, however, was not favoured by the millers, as it lacked gluten. The wheat, the millers declared, was a mongrel wheat, and what was needed was that the farmers should use pure seed of a good strain. So a "demonstration train", known as the "Seed Wheat Special," was run over the Rock Island Lines in Oklahoma early in autumn, and lectures on the importance of using pure seed were delivered at many different points.

The next thing that attracted the attention of Professor Cottrell was the shortage of hogs in the United States, and so another demonstration train, known as the "Breakfast Bacon Special" was run through Kansas, Nebraska and Minnesota to show the farmers living along the lines of the Rock Island Company that it would be to their profit to raise more hogs. Lectures on domestic science and lectures to children were also given.

The "Breakfast Bacon Special" consisted of seven cars. The first was a baggage car holding supplies for the trip. Next to this was a coach in which the domestic science lectures were given. Behind this were two cars devoted to the lectures for men. Then came the children's car, and finally the sleeping car for the workers and the car in which meals were served. In each of the cars used for lectures a platform was arranged at one end for the speaker. The lecturers were furnished chiefly by the University of Nebraska and the State Department of Public Instruction,

During four days spent in Nebraska the train made 31 stops for lectures at 31 different towns, and the total attendance was 6,305 or an average of 203 for each town.

(Summarised from the *Nebraska Farmer*, November 9th., 1910).

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**7. Rural Telephones.** — From a social, as well as a business point of view the spread of the telephone system is doing much to improve the conditions of life in rural districts in the United States. "The first and most direct appeal of the telephone," says the *Texas Farm Co-operator*, in its issue of October 26th., 1910, "is to the farmer's wife. She has less opportunities of getting away from home than any other members of the family she sees fewer new faces and receives fewer new ideas, so that anything which will serve to break the monotony of her life is welcomed as a God-send. And the amount of visiting which can be done over a long rural line is truly surprising."

The *Virginia Farmer*, of December, 1910, contains an article on "Rural Telephone Systems" which describes in detail the methods of construction, and gives hints as to organising rural telephone companies. The cost of one mile of line, exclusive of poles and labour, using 30 poles to the mile, is estimated at 14 dollars or 7 dollars according as the full metallic system or the grounded (one-wire) system is adopted. The cost of material for the installation of one subscriber's instrument is stated to be 13 dollars.

# MISCELLANEOUS

## SWEDEN.

### I. — CURRENT QUESTIONS.

#### Organization for the Constitution of Family Properties in Sweden.

##### Sources :

Kalender öfver Svenska Landtbruket 1910 (*Swedish Agricultural Calendar for 1910*).  
Stockholm, 1910.

##### § 1. *General Introduction.*

By family property in Sweden is understood property consisting of a small farm or a house and garden, situated in the neighbourhood of villages and possessed as private property, of a total amount generally not exceeding, 15,000 francs.

It is partly created, with the support, of an association founded for the purpose, or of the State, or the commune, by means of the legal provisions in behalf of small land owners, in agreement with the arrangements to be detailed hereafter. We must remark that the Swedish family property in contrast to the French family property contemplated by the law of the 19th March, 1910 (see this Bulletin, vol 3 pages 276 and 282) is not unseizable.

We shall only speak in this article of associations, concerning themselves, at least in part, with agricultural enterprises: those of which *the exclusive end is the provision of dwelling-houses* will therefore not be dealt with in it. This restriction will limit their number considerably, both in the case of the *associations* themselves and in that of the *limited societies*: however, new ones have been recently constituted (thus several were formed at the beginning and during the course of the year 1908, in addition to the associations mentioned later on, for example that for the agri-

cultural family properties in the province of Gefleborg). Among the limited societies we shall only concern ourselves with those of rather a philanthropic character, *principally with the societies empowered to receive loans from the State Fund for Agriculture (Statens Jordförmedlingsfond)* or those empowered to act as intermediaries in obtaining State loans (*Statens egnahemslån*) for agricultural family properties.

The Associations and the Societies which enjoy the privileges of receiving loans from the State Fund for Agriculture (*Statens jordförmedlingsfond*) and of permission to serve as intermediaries in obtaining the State loans in favour of agricultural family properties (*Statens egnahemslaan*) are those that His Majesty the King has judged fit to discharge these offices and the rules of which are so drafted that they are able to act disinterestedly, and having means suitable for the purchase of agricultural property in behalf of the persons in the least easy circumstances; for all these limited societies the profits are limited to a certain rate of interest on their shares.

1) *The State Fund for Agriculture (jordförmedlingsfonden)* was instituted for the purpose of facilitating the acquisition of lands of large extent, situated in the country or in the environs of towns, lands specially intended for division in order to form agricultural family properties: two millions of crowns were disposable for this fund for the years 1908 and 1909. The decrees in force of 28th June, 1907 exact, among other conditions for the obtaining of loans, the following: - The State accords loans of which the amount may not exceed four fifths of the value of the land, but, however, four fifths of the purchase price may not be exceeded, and the association or the society contracting the loan must furnish a guarantee, accepted by the State, for the repayment of the loan.

The Association contracting a loan has the obligation of speedily accomplishing the conversion and the division of the land acquired into lots intended for the constitution of family properties.

The loan shall be repaid gradually as the sale of the lots is effected, and it must be entirely repaid by the end of the fifth year, dating from the day on which it was granted: the rate of interest is 4 % per ann.

2) The State grants the agricultural workmen, etc., desirous of constituting family property (*egnahemslaanerörelsen*), loans, for which an annual sum of five millions of crowns is disposable for the years 1909-1913, on the conditions published in the decree of the 13th. June, 1908, of which the principal provisions are the following. The loans for the constitution of family properties shall only be conceded for the purpose of establishing farms, under conditions such as that the person contracting the loan shall be proprietor not merely of *the land*, but also of *the buildings*, needed for the farm work, and they may be granted both for the purchase of lands intended for farms and for that of lands intended for housebuilding.

The borrower must be a *Swedish Citizen*, must have completed his 21st year and not have passed his fiftieth year; he must be known as an economical and sober person, of good conduct, and not absolutely without means for establishing himself on a property in land, but having need of important assistance in making purchase.

These loans are granted at lowest for half the value of the land property, and at highest for five sixths of the value in case of lands for farming, and three fourths of the value in case of lands intended for building.

Loans shall not be granted for agricultural lands of a value exceeding 6,000 crowns (about 8,400 frs.), nor for building lots of a value exceeding 4,000 crowns (about 5,600 frs.)

The rate of interest on the State loans for acquisition of land property is 3.6 % per ann.; for repayment, the amount of the loan is divided in two parts, of which one is extinguishable in annual instalments and the other can only be exacted by the State at the expiration of the period for the extinction of the part so extinguishable; for the amount of this first part of the loan, 6 % per ann. is paid for loans intended for the purchase of land and 7 % for loans for construction of agricultural buildings up to the moment to the complete repayment, and if this annuity 6 % interest is calculated upon the amount not paid up of the portion extinguishable in instalments. The obligation for repayment in instalments commences with the fourth year dating from the end of that in which the loan was granted. Up to the moment at which the instalments begin to be paid, interest is paid at the rate prescribed for the entire loan. Afterwards together with the annual payments interest is paid for that part of the loan that can not be exacted before the other be completely repaid. But, as we have already pointed out, the State cannot exact this restitution before the part to be repaid in instalments is completely repaid, but it must in any case be made before the expiration of five years, dating from the year in which the last instalment of the portion repayable in instalments ought to have been repaid.

As to the contract which shall be arranged between the intermediary (*association or society*) and the private borrower, it shall be prepared according to certain rules, amongst which we shall mention: the obligation to build and keep in repair the buildings, to submit to be controlled, to furnish a guarantee for the restitution of the loan under the form of a first mortgage, but with the right of the intermediary (the association) to grant certain partial advances to the borrower before the registry of this mortgage; and further the regulations to be followed as to the mode of collecting the interest, which must be in essential agreement with the conditions arranged between the intermediary and the State, and those regulations which would have to be followed in case of an eventual cancellation of the loan (through the fault of the borrower), etc. The State accords the intermediary  $\frac{1}{2}$  % on the amount of the loans.



## § 2. Review of the Existing Associations.

## A) National Associations.

1) The *Egnahem Association* (Independent family property) which has its chief office at Motala was founded in 1889.

The number of its branches, on the 31st December, 1909, was 155, with 5,490 members who had subscribed for 46,583 shares at 11.45 crowns (16 frs.) each. The deposits of the branches, made by the members, amounted in December, 1909, to 328,530 crowns. The number of colonies that had acquired family properties was 28 in December 1909, and the total value of the properties was 2,297,305 crowns.

In 1909 there were 2 new branches founded at Smaaland with 226 new members who have subscribed 1,604 shares; in the course of the same year 46 members paid in to the capital of the society a sum equivalent to 356 shares (at 16 frs.). Forty seven family properties of a total value of 65,182 crowns, have been leased out and the board of management has decided to arrange contracts for the purchase of 87 properties in land of a total value of 266,339 crowns; further new divisions have been made of lands, new roads have been constructed, etc. The net profit of the association was 34,483 crowns.

2) The *Egna hems laaneförmedlingsforening* (Intermediary Association for loans for the creation of family properties), which has its chief office at Motala, was constituted in 1907, and in December, 1909 the number of its members was 262, distributed in 25 branches.

The last financial statement shows that, at the end of 1909, 113 loans amounting to a sum of 399,900 crowns had been granted for farm lands, and 90 loans, amounting to a sum of 240,000 crowns, had been granted for buildings; altogether 639,900 crowns. The applications sent in for 1910 amounted to 25 for farmlands valued at 104,400 crowns and 14 for farm buildings valued at 33,000 crowns; altogether 137,400 crowns.

His Majesty the King had devoted to the work of the association as intermediary a sum of 790,000 crowns, of which 500,000 crowns for the acquisition of farm lands and 290,000 for the construction of dwelling houses. These figures enable us to understand the great importance of these two large associations the action of which extends over the whole of Sweden.

## B) Provincial Associations.

1) The co-operative association *Eget hem* (Family Property) *inom Kristians tads län* in the province of Kristianstad has its headquarters at Kristianstad and was constituted legally in December, 1906; at the end of 1909, it had 114 members with a capital entirely paid up, amounting

to 7,120 crowns. As to the work of this association, we must note: in 1907, the purchase of four land properties of which the total value was 163,500 crowns; in 1908, the purchase of three land properties of a total value of 134,200 crowns, and in 1909, the purchase of 6 other land properties of a value of 123,500 crowns.

2) The association, *Malmöhusläns egnaheimsförening* (Family Property of Malmöhuslan), of which the headquarters are at Malmö, was constituted on the 9th October, 1907: at the end of December, 1909, it had 296 members with a subscribed capital of 39,200 crowns. With regard to the work of this association, up to the end of December, 1909, let us observe the purchase of 320 hectares of land, of which 181 hectares were distributed in 1909 to form 44 family farms, and 21 for agricultural family buildings, of which 39 family farms and 9 buildings have been assigned to members of the association. It has received 238,800 crowns from the fund for loans "*egnaheimslaanefonden*", and of this sum 177,900 crowns have served for the purchase of family farms and 60,900 crowns for agricultural buildings: further 39,000 crs. were lent to this association by the "*jordförmedlingsfonden*."

3) The Association *Gotlands läns egnaheimsförening* (Family property in the province of Gotland), of which the headquarters are at Visby, was constituted in 1908. The number of its members on the 18th of May, 1910 was 165 with 203 subscribed shares for a total sum of 20,300 crowns, of which 5,489 paid up,

It has bought a large farm near Visby and some small farm lands; of this real estate 5,059 square metres of building land were sold for an amount of 2,524 crowns, and the property bought in 1908 was divided in 3 lots which were afterwards sold.

The association has received from the "*egnaheimslaanefonden* „ 65,000 crowns for 1909, of which 50,000 crowns for family farm lands and 15,000 crowns for farm buildings: for 1910 there have been granted to it other 65,000 crowns from the same fund, of which 40,000 for family farm lands and 25,000 for farm buildings; and the association has even received 17,200 crowns from the "*jordförmedlingsfonden* „.

### C) Local Associations.

These Associations are, for the moment, 12 in number and have 1,017 members; they have been for the most part constituted since 1907.

They have negotiated loans, acquired properties and lands, which have been divided in lots and sold to members and others. Three of these associations have bought, altogether, more than 165 hectares of land which have been divided in 100 lots of land for buildings. Twenty seven members belonging to two different associations have obtained loans from the "*egnaheimslaan* „ fund.

One of the associations has granted loans for an amount of 47,700 crowns. Another has bought two properties (of which we have not been advised of the extent) that have been divided in lots and sold; it has, further, apportioned another property bought with the same intention. The total purchases amount to 183,250 crowns. A third association has bought real estate in a town and land property in the vicinity.

We have not at our disposal precise data as to the working of the other associations.

### § 3. *Review of the Societies limited by shares.*

1) The Society *Hem paa landet* (country family property) of which the headquarters are at Stockholm was founded in 1899. At the end of December 1908, the assets of the society were as follows: capital in shares, 666,150 crowns; reserve fund, 110,000 crowns; guarantee fund 52,000 crowns; funds disposable to be employed for the good of the community "egna hem", (family property), 89,675 crowns.

With regard to its work during the years 1907 and 1908, we must note among other things the purchase of three properties of an extent of about 1,500 hectares, of which 475 hectares had been cultivated, it obtained from the State through the "jordförmedlingsfonden", a loan amounting to 239,000 crowns, in order to effect the above operation. One of these properties has been divided into 35 little farms of from 2 to 7 hectares and over. The cultivated land was sold at from 600 to 850 crowns per hectare and the forests and woods at from 50 to 160 crowns per hectare. All these farms were sold at the end of 1909. The other farms have been transformed partly into lands for buildings, and partly into lands for gardens. The area of these lands varies from  $\frac{3}{4}$  of a hectare to 3 hectares and their price from 900 to 4,500 francs per hectare. In 1909 the Society bought a small property, which has been divided into fifteen small farms and 30 lots of lands intended, some for gardens and others for buildings; it has, besides, bought a property which it is intended to transform into seven or eight small farms.

2) The *Södra Södermanlands egna hemsaktiebolag* (Family property in the province of South Södermanland) was constituted in 1906: its headquarters are at Nyköping. In 1907 it bought two properties which have been divided into twenty eight lots for the formation of agricultural family properties, and into eighteen lots for building, of which 6 and 1 lots respectively have been sold.

3) The *Aktiebolag et Egna hem inom Kronobergs län* (Limited Liability Society, Family Property in the province of Kronoborg), of which the headquarters are at Växjö, was constituted on the 10th March, 1908, with a capital of 20,000 crowns. It must be observed, that, among its

other operations, it obtained a loan from the State out of the "jordförmedlingsfonden" for the purchase of lands in the vicinity of the city.

4) The *Aktiebolag et Smaabruk i västra Sverige* (The Limited Liability Society, Small Farms in West Sweden) was constituted in 1908; its headquarters are at Gothenborg. We must note its purchase of a property of about 300 hectares, the half of it cultivated land; this property was divided into some twenty small farms of about 50 hectares each together with its dependencies; the rest of the land forms the principal farm.

5) The *Aktiebolaget Värmlandshem* (The Limited Liability Society, Värmland Family Property). The work of this Society, since its constitution in 1907, includes the taking possession of 2 properties in Värmland, with 2 small cultivated estates of about 200 hectares and about 250 hectares of wood: these lands have been divided into 30 or 35 lots of areas varying from  $2\frac{1}{2}$  hectares to 20 hectares, at prices of from 200 to 400 crowns the hectare for cultivated land and of from 40 to 100 crowns the hectare for woods and such like land; all the small farms have been sold; 13 new dwelling houses and 14 stables have been constructed and 5 dwelling houses and 3 stables restored: the work of construction of buildings, roads and ditches has also been commenced in several other lots.



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**II<sup>nd</sup> YEAR — NUMBER 2**

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47	Uruguay	V	I ACEVEDO DIAZ, Minister plenipotentiary of Uruguay to H M the King of Italy.

# CONTENTS.

## PART I.

### CO-OPERATION AND ASSOCIATION.

#### I. — Current Questions and Recent News.

##### Germany :

##### I. — CURRENT QUESTIONS.

- |   |        |
|---|--------|
| 1. Some Information upon the Results obtained by the Co-operative Potato Dessication Factories, according to a Recent Enquiry | Page 5 |
| 2. The Separation of the Goods Service and the Bank Service in the Central Loan Bank for Germany . . . . .                    | 14     |

##### II. — RECENT NEWS.

##### 1. Work of the Federations and Central Institutions of the Co-operative Societies and Large Agricultural Associations:

##### A. *Federations and Central Institutions of the Co-operative Societies:*

- |   |    |
|---|----|
| 1. 24,175 Agricultural Co-operative Societies . . . . .   | 17 |
| 2. Variation in Number of Members in the Raiffeisen Organization in 1910. . . . .   | 18 |
| 3. Berlin. — 15th. Ordinary Session of the Federation of the Agricultural Co-operative Societies of the Province of Brandenburg . . . . . | 20 |
| 4. Breslau. — Federation of the Rural Co-operative Societies Belonging to the Raiffeisen Organization. . . . .                            | 21 |
| 5. Cassel. — Federation of the Rural Co-operative Societies of Hesse . . . . .  | 22 |
| 6. Halle on Saale. — Federation of the Agricultural Co-operative Societies of the Province of Saxony . . . . .                            | 23 |
| 7. Halle on Saale. — Federation of the Agricultural Co-operative Societies of the Provinces of Saxony. . . . .                            | 23 |

##### B. *Large Agricultural Associations:*

- |  |    |
|--|----|
| 1 The German Board of Agriculture . . . . .  | 24 |
| 2. The Prussian Board of Agriculture . . . . .   | 26 |
| 3. The Transformation of the Central Office of the Prussian Chambers of Agriculture into a Confederation of these Chambers . . . . . | 27 |

**2. Miscellaneous Information :**

1. Progress of Co-operation: 30,500 Co-operative Societies . . . . .	Page	28
2. Collaboration of the Communes and the Co-operative Electricity Societies. . . . .		30
3. The Advantage of Lands held in common and the re-acquirement of them through the Medium of the Agricultural Co-operative Societies. . . . .		32
4. Guarantee of Members in the Credit Co-operative Societies. . . . .		33
5. Co-operative Bank for the Colony of German East Africa. . . . .		34
6. The Clergy and the Agricultural Co-operative Societies. . . . .		34
7. For the Encouragement of Home Colonization . . . . .		35
8. Still on the subject of Colonization . . . . .		36

**Austria :****I. — CURRENT QUESTIONS.****1. New Statistics of Agricultural Co-operation in Austria :**

§ 1. Introduction . . . . .	Page	39
§ 2. Co-operative Credit Societies . . . . .		41
§ 3. Co-operative Warehouses . . . . .		57
§ 4. Co-operative Dairies . . . . .		61
§ 5. Other Co-operative Societies . . . . .		66
2. Agricultural Co-operation and the Austro-Hungarian Bank . . . . .		67

**II. — RECENT EVENTS.****1. Work of the Federations and Central Co-operative Institutions and of the Large Agricultural Associations :****A. Federations and Central Institutions of the Co-operative Societies :**

1. Three New Federations affiliated to the General Federation. . . . .	70
2. Central Cattle-Selling Establishment of the General Federation . . . . .	70
3. Goritz Federation of Agricultural Co-operative Societies and Associations . . . . .	71
4. Central Bank of the Carinthian Agricultural Co-operative Societies. . . . .	71

**B. Large Agricultural Associations :**

1. Enquiry into the Bohemian Co-operative Granaries. . . . .	72
2. Action of the Cracow I. R. Society of Agriculture with respect to the Sale of Cattle . . . . .	72

**2. Miscellaneous Information :****I. — Agricultural Co-operative Societies :**

1. Results obtained by a Co-operative Society for Utilisation of Fruit. . . . .	73
2. Co-operative Society for Sale of Cattle and of Meat . . . . .	74
3. Central Cattle-selling Establishment at Czernowitz . . . . .	75

**II. — Non-Agricultural Co-operative Societies :**

Austrian Non-Agricultural Co-operative Societies in 1909 . . . . .	75
--	----

**Great Britain and Ireland:**

**I. — CURRENT QUESTIONS.**

<b>Decentralisation in the Agricultural Co-operative Movement. . .</b>	<i>Page</i> 77
--	----------------

**II. — RECENT NEWS.**

**1. Legislation and State Intervention in regard to Agricultural Organizations:**

1. West Riding Country Council and Co-operation. . . . .	83
2. Lectures on Co-operation to Small Holders in Cambridgeshire . . . . .	84

**2. Work of the Federations, Central Institutions of the Co-operative Societies and of the Large Agricultural Associations:**

1. The Central Chamber of Agriculture: its work in 1910 . . . . .	84
2. Establishment of a British Poultry Federation. . . . .	85
3. The Smithfield Club Show. . . . .	86
4. The Dairy Shorthorn Association . . . . .	86
5. The Irish Co-operative Creamery Butter Control. . . . .	87

**3. Miscellaneous Information:**

1. The King and the Royal Agricultural Society . . . . .	88
2. Organization of the Poultry Industry in Scotland . . . . .	89
3. Co-operative Bacon Factories in Ireland . . . . .	90
4. District Conferences of Agricultural Co-operative Societies in Ireland. . . . .	90
5. A Society for the Improvement of Dairy Cattle. . . . .	91
6. A Surprise Show. . . . .	91

**Italy:**

**I. — CURRENT QUESTIONS.**

<b>General Confederation of Italian Agricultural Co-operative and Mutual Societies in Behalf of the Small Agricultural Co-operative Societies. . . . .</b>	<i>Page</i> 93
--	----------------

**II. — RECENT NEWS.**

**1. Work of the Federations and Central Institutions of the Co-operative Societies and of the Large Agricultural Associations:**

1. The Italian Federation of Catholic Rural Banks. . . . .	100
2. The Milanese Economic and Social Federation . . . . .	102
3. The Italian Federation of Agricultural Trading Societies in 1910 . . . . .	103
4. Interprovincial Federation of Agricultural Co-operative Societies . . . . .	104

**2. Miscellaneous Information:**

**1. — Agricultural Co-operation:**

1. Rural Banks and Agricultural Co-operative Credit Societies of Collective Title, existing in Italy on the 31st. December, 1910. . . . .	104
2. A National Agricultural Bank at Milan. . . . .	107

II. — *Non-Agricultural Co-operation :*

1. For the Constitution of the " Wholesale Store " decided upon at the recent National Congress of Co-operative Distributive Societies. The General Assembly of the Consortium of Co-operative Distributive Societies at Milan. . . . . *Page* 108
2. An Important Report upon the Co-operative Societies for Production and Labour . . . . . 112

II. -- Bibliography.

**Publications of Recent Date Relating to Co-operation and Association in Various Countries.**

1. Germany. . . . .	<i>Page</i> 115
2. Austria . . . . .	115
3. Belgium . . . . .	116
1. Great Britain and Ireland. . . . .	116
4. British India. . . . .	117
5. Italy. . . . .	117
6. Russia. . . . .	117

PART II.

INSURANCE.

I. — Current Questions and Recent News.

**Germany :**

I. — CURRENT QUESTIONS.

Insurance against Damage by Hailstorms in Wurtemberg. . . .	<i>Page</i> 123
---	-----------------

II. — CURRENT NEWS.

1. Legislation and State Intervention in regard to Agricultural Insurance:	
Insurance against the Seizure of Animals intended for Slaughter in Prussia. .	127
2. The Operations of Insurance Institutions:	
1. Private German Enterprises for the Insurance of Cattle during 1909. . .	129
2. Union of Private Insurance Companies in Germany . . . . .	134
3. The 57th. General Meeting of the " Union Allgemeine Deutsche Hagel-versicherungsgesellschaft in Weimar ". . . . .	135
4. Four New Mutual Insurance Companies for Cattle. . . . .	136
5. The Dresden Co-operative Society for Agricultural Fire Insurance . . . .	136
6. Associations and Federations of Associations for the Insurance of Cattle in East Prussia and Silesia . . . . .	137

**3. Miscellaneous Information:**

1. The Average Mortality amongst Farmers according to the Bank of Gotha. 138
2. Insurance against Thrush fever. . . . . 139

**France:**

CURRENT NEWS.

**1. Legislation and State Intervention in regard to Agricultural Insurance:**

1. Bill for the Extension of the Dispositions of the Law of April 9th., 1898, on Accidents during Work, to Forest Cultivation . . . . . Page 141
2. The latest report of the Minister of Works and Social Providence on the Hygiene and Safety of Workmen . . . . . 144
3. Bill for the Institution of a National guarantee Fund against Agricultural Disasters . . . . . 145
4. Proposal of National Compulsory Mutual Insurance against the Seizure of Animals for slaughter . . . . . 146

**2 Business Done by the Insurance Institutions:**

1. Some data on the Progress of Cattle Insurance in 1910. The "Avenir Bétail" ("Cattle Future") and the "Federation des agriculteurs français" ("Federation of French Farmers") . . . . . 147
2. The Results obtained in 1910 by the "Continentale" Hail Insurance Company . . . . . 148
3. The last financial year of the "La Terre" Company . . . . . 149
4. A New Company for Agricultural Insurance. . . . . 149

**Italy:**

I. — CURRENT QUESTIONS.

**Insurance against Accidents in Agricultural Labour and Signor Luzzatti's Bill on the Subject . . . . . Page 151**

- § 1. Legislative Precedents. . . . . 152
- § 2. Some Precedents Furnished by the Societies . . . . . 156
- § 3. The Studies of the National Labour Office and the Conclusions of the Superior Council of Labour. . . . . 159
- § 4. The Ministerial Bill on "Accidents to Agricultural Labourers in their Work" . . . . . 162

II. — CURRENT NEWS.

**1. Legislation and State Intervention in regard to Agricultural Insurance:**

1. Agricultural Mutuality (Mutual Insurance) at the Superior Council of Agriculture. . . . . 169
2. Discussion and Proposals for Hail Insurance before the Council of Thrift at the Ministry of Agriculture . . . . . 172
3. Compulsory Insurance against Agricultural Labour Accidents . . . . . 172

**2. Operations of Agricultural Insurance Institutions :**

Fire Insurance in Italy in 1909 . . . . . *Page* 173

**3. Miscellaneous Information :**

1. Insuring grapes against damage by hail: The Stradella Meeting. . . . . 175
2. The National Co-operative League and the Italian Federation of Mutual Aid Societies for the Encouragement of Thrift . . . . . 179

**II. — Bibliography.**

**Publications of Recent Date relating to Agricultural Insurance  
in Various Countries.**

1. Work of General or International Character . . . . .	<i>Page</i> 181
2. Germany . . . . .	181
3. Austria . . . . .	183
4. Belgium . . . . .	183
5. France . . . . .	183
6. Great Britain and Ireland. . . . .	183
7. Switzerland . . . . .	183

**PART III.****MISCELLANEOUS.**

(Facts and Problems Relating to Agricultural Economy in General).

**I. — Current Questions and Recent News.****Great Britain and Ireland:****I. — CURRENT QUESTIONS.**

The Shortage of Egg Supplies. . . . .	<i>Page</i> 189
---------------------------------------	-----------------

**II. — MISCELLANEOUS INFORMATION.**

1. Grants from the Development Fund for Horse Breeding . . . . .	193
2. Proposals for Separate Boards of Agriculture for Scotland and Wales . . .	194

**Italy :****I. — CURRENT QUESTIONS.**

<b>For the Constitution and Preservation of Small Rural Property and for Family Property . . . . .</b>	
	<i>Page</i> 195
Introduction . . . . .	196
§ 1. Some Legislative Precedents with Regard to Small Rural Property. . .	196
§ 2. Peasant Property in Italy . . . . .	199

## CONTENTS

xv

§ 3	Legislative Precedents of "Family Property"	<i>Page</i> 201
§ 4	Provisions for the Formation and Preservation of Small Rural Property and for Family Property in the Recent Ministerial Bill	202
§ 5.	Votes of the Recent Congresses of Peasant Proprietors at Casalmaggiore and Asti	206
	The Draft Law concerning Small Rural Property and Family Property	207

### II — MISCELLANEOUS INFORMATION

1	Report on the Raineri Bill concerning the measures to be taken to encourage the silk industry	217
2	The Cultivation of aurantiaceæ (citrus fruits) in Messina	218
3	Encouragement of Agriculture by the Savings Bank of Bologna	219
4	Royal Lombard Institute of Science and Letters	220
5	Temporary course of domestic economy	220

#### Holland :

### CURRENT QUESTIONS

	The Re organisation of Small Peasant Holdings in Holland	<i>Page</i> 221
§ 1	General Observations	221
§ 2	The Technical Procedure	225
§ 3	Legal Considerations	229
§ 4	Draft Law for the Reconstitution of Farm Lands in Holland	231

### II — Bibliography

#### Publications of Recent Date referring to Agricultural Economy in General in Various Countries

1	Work of General or International Character	<i>Page</i> 259
2	Germany	259
3	Great Britain and Ireland	260
4	British India	265
5.	Italy	260
6	Belgium	261
7	Roumania	261
8	Russia	261





PART I.

**CO-OPERATION AND ASSOCIATION..**



# **CO-OPERATION AND ASSOCIATION**

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## **I. — CURRENT QUESTIONS AND RECENT NEWS.**



# CO-OPERATION AND ASSOCIATION

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## GERMANY.

### I. -- CURRENT QUESTIONS.

#### I. Some Information upon the results obtained by the Co-operative Potato Dessication Factories, according to a Recent Enquiry.

The article published on this subject in the preceding number of the Bulletin gave general information as to the economic causes that determined the methods of potato dessication as an industry, as to the technical processes of dessication and the utilisation of the products obtained, etc.

We now present our readers with some special data on the co-operative dessication factories, data that they are now in a position to understand and read with interest.

They are the result of an enquiry carried out by the National Federation of German Agricultural Co-operative Societies in 1910, a repetition of a similar enquiry undertaken by it in 1909, in view of the importance of this new industry for the national agriculture and economy. The enquiry included the majority of the co-operative dessication factories. The data we reproduce from the 23rd number of the Journal of German Agricultural Co-operative Societies (*Deutsche Landwirtschaftliche Genossenschaftspress*), of the 15th December last, synthesize the results of a relatively brief experience, but one already rich in useful information; they show the cost price of the potatoes dessicated by the Co-operative societies, the differences of price in different establishments, the favourable position of the co-operative establishments in comparison with the non-co-operative establishments, the advantage the farmers have in belonging to a co-operative establishment, etc.

The inquiries undertaken included 21 factories, 11 of which were independent and 10 were worked in conjunction with distilleries, starch factories, dairies, etc.

Here are the Statistical Tables :

a) *Independent Factories*

No of the Co-operative Society	Invested Capital in marks	Working Period	Amount of raw potatoes used	Production of dried goods
			Ztr	Ztr
1	240,000	227 days of 24 hours	165,295	43,310
2	210,000	225 " 24 "	147,978	37,533
3	116,800	177 " 22 "	57,673	14,284
4	102,300	146 " 24 "	38,868	9,500
5	?	176 " 20 "	41,330	10,668
6	85,833	105 " 22 "	32,068	8,593
7	85,000	180 " 23 "	57,116	15,000
8	77,505	116 " 21 "	29,407	8,130
9	65,896	90 " 24 "	21,444	5,400
10	54,000	175 " 24 "	45,582	12,295
11	50,000	150 " 24 "	34,600	9,240

Working expenses as shown by the factories	Dried potato expenses per cent of raw potato	Calculated working expenses including rates of interest and sinking fund payments	Dried potato expenses per cent of raw potato	Net working expense	Rate of interest and sinking fund payment
M	Pfg	M	Pfg	Pfg	Pfg
70,892	45	78,115	47	35	14
71,104	50	75,655	51	34	17
57,058	64	57,058	64	42	22
50,702	55	25,094	65	57	25
24,177	58		5		?
17,621	55	19,617	61	55	28
24,102	42	24,887	14	27	17
22,591	76	23,076	75	18	27
16,895	74	20,001	95	52	41
30,013	69	26,783	62	47	15
20,099	55	20,655	59	43	16

b) *Factories dependent upon Distilleries, Dairies,  
and other Productive Co operative Societies.*

Designation of the Co operative Society	Invested Capital in marks	Working Period	Amount of raw potatoes used	Production of dessicated goods
			/tr	/tr
1 (Dairy)	60,500	135 days of 24 hours	48,500	14,000
2 (Distillery)	38,000	210 " 10 "	28,284	8,945
3 (Jam Factory)	45,000	120 — "	22,000	5,650
4 (Distillery)	22,680	195 20	37,500	10,600
5 (Distillery)	21,576	221 12 1/2	29,106	8,542
6 (Distillery)	20,000	270 " 24 "	33,272	8,850
7 (Distillery)	20,000	150 12 "	10,600	2,725
8 (Distillery)	20 205	160 8 "	11,000	2,700
9 (Brick work)	15,050	100 24	13,147	2,807
10 (Distillery)	11,210	150 12 "	6,262	1 566

Working expenses a shown by the books	Dessication expenses per cent of raw potatoe	Calculated working expenses including rate of interest and Sinking Fund payments	Dessication expenses per cent of raw potatoe	Net working expenses	Rate of interest and Sinking Fund payments
M	Pfg	M	Pfg	Pfg	Pfg
17 344	56	19 684	41	28	13
15 946	49	11 976	47	25	17
15,610	71	14,210	64 1	43 5	21
18,800	50	13,608	36	29	7
12,325	42.5	12,325	42 5	34.5	8
15,227	46	15,107	46	39	7
7,152	67	7,407	70	43	27
6 380	58	6 278	57	36	21
9,939	76	11,393	87	70	17
3,695	59	3,695	59	33	26



Naturally, there are enormous differences with regard to the amount, equipment and hours of labour. Thus, for example, a factory dependent upon a distillery or a starch factory, only used 6,262 *zentner* of raw potatoes whilst the strongest independent factory disposed of 165,295 *zentner*.

What is specially interesting to note is the proportion between the raw material and the product of dessication. As will be seen from the preceding tables (columns 4 and 5), 908,832 *zentner* of raw potatoes gave 240,338 *zentner* of dessicated produce, almost exclusively potato flakes. On an average for the production of one *zentner* of potato flakes, 3.78 *zentner* of raw potatoes were required. The average naturally rises or falls according to the quality of the raw potatoes. As an example, the figures for dependent factory no. 2 (see table *b*) show that 28,284 *zentner* of raw potatoes produced 8,945 *zentner* of dessicated goods and therefore for the production of one *zentner* of potato flakes 3.17 *zentner* of raw potatoes were required, and it is to be remarked that in this case the potatoes used contained, on an average 20 % of starch.

Against this, no. 9 in order to produce 2,807 *zentner* of Flakes required 13,147 *zentner* of raw potatoes or 4.7 *zentner* of raw material for each *zentner* of dessicated produce. This limited out-put is due to the fact of the factory having made use of unripe potatoes of little value containing a very small proportion of starch.

The preceding tables give interesting details concerning the amount of the working expenses. Column 6 sums up the working expenses as shown by the books, column 7 the cost of dessication in Pfennigs for each *zentner* of raw potatoes, column 8 sums up the total expenses including the rate of interest and the annual payments for extinction of debt on the society's capital, column 9 calculates these expenses in Pfennigs for each *zentner* of raw potatoes in the same manner as column 7, column 10 the net working expenses in pfennigs for each *zentner* of raw potatoes and column 11 the payments into sinking fund (including the interest).

The following remarks will help to explain these figures.

The figures in column 6 « Cost of production as shown by the books » cannot be compared with one another as the co-operative societies supplying this information have not adopted a uniform system in the extinction of their debts etc.: the amounts kept back for annual payments toward extinction of debt on buldings vary from 1 to 5 % and in the case of debts on machines from 3 to 20 %. It is clear, that the co-operative societies as they only make small allowances for this give one the impression that their dessication expenses are low. In column 8, therefore, uniform rates have been adopted, that is 4 % as the rate of interest on the invested capital, 2 % for the annual instalments for extinction of debt on buildings and 10 % for similar instalments in the case of debt on machinery. In this way at least comparable figures will be arrived at, which

have the value, that they may be used for the preliminary calculation to be made when a new establishment is about to be built.

According to column 9 the total working expenses of the independent factories varies between 44 and 93 pfennigs per *zentner* of raw potatoes, 62 pfennigs on an average. The dessication expenses of the dependent concerns vary between 36 and 87 pfennigs or an average of 54 pfennigs.

What conclusions may be drawn from the figures here given?

### 1. — Dependent Factories are Much Cheaper.

In the first place, it is quite clear that the dependent factories cost less to work than the independent ones under otherwise similar conditions. There are several reasons for this (see also the article « *The Problem of Potato-Dessication* » etc.).

The costs of construction of the dependent factories are very much lower, as the already existing buildings and plant can be adapted for use.

The most instructive proof of this is supplied by the average amount for the annual instalments for the extinction of debt, which, in the dependent factories, amount to 16 pfs. per *zentner* of raw potatoes against 22 pfs. in the independent factories.

The dependent factories can economise still further in that the technical and business work can be accomplished by the officers and employees already in the service of the joint concern.

At the same time great advantage can be derived from the alternate use, according as required, of the plant and labour in the two establishments. Hence the differences, which are seen in the salary and wages accounts are quite considerable, as the amount taken up in this respect by nos. 2, 4 and 8 of the dependent factories per each *zentner* of raw potatoes was 6.4 pfg., 5.8 pfg. and 8.1 pfg. respectively, whilst for the independent factories the amount necessary for the same purpose is no. 1: 12.4 pfg. and no. 4: 14.4 pfg.

It must however be said that it is always difficult to separate with any degree of certainty, the costs of the potato-dessication part of the concern from those of the real establishment of the factory concerned. This is especially difficult with regard to the « consumption of coal » and the wages account, if the workmen are at need worked just where and when they are required in either establishment.

It is therefore possible to doubt whether the great differences of the small working expenses of the dependent factory are not due to an inexact division of the costs of the dessication part of the concern from those of the real establishment.

## 2. — Farther Causes for the Fluctuation of the Working Expenses.

One important item, which causes expenses to fluctuate is the difference in the working periods. The working expenses will be higher for a short working period than for a longer period, because the plant cannot be used to its utmost capacity. We therefore see, that the independent factories with the highest working expenses are nos. 8 and 9 with 75 and 93 pfg. respectively for each *zentner* of raw potatoes used and these two factories also worked for the shortest periods namely 116 and 90 days. The amount set aside by these two factories for extinction of debt (including interest) alone cost 27 and 41 pfg. for each *zentner* of raw potatoes, whilst the same amounts are represented for nos. 1 and 2, with 227 and 225 days working period respectively, by 14 and 17 pfg. It is a well-known fact, proved again and again by experience, as in these cases, that the working expenses of an enterprise become generally lower, in proportion to its increasing greatness and capacity, because in the larger concerns, more capable and on that account better and cheaper working machines are installed and both the raw material and the working power are utilised to greater advantage, whilst the costs of the technical and commercial organisation do not rise in the same manner. In this way, therefore, have the independent factories nos. 1 and 2 proportionately the lowest dessication expenses for each *zentner* of raw potatoes, that is 47 and 51 pfg. respectively.

But the quality of the potatoes too has an important influence on the amount of the working expenses, for there is certainly a difference if dependent factory No 2 can produce one *zentner* of dessicated goods from 3.17 *zentner* of raw potatoes, as against No 9 which required 4.7 *zentner* to produce a similar quantity. It is also clear, that more coal is required to dessicate 4.7 *zentner* of raw potatoes than for 3.17 *zentner*. According to the report of factory No. 9 the extremely high costs of dessication are attributed to the delivery of very damp, unripe potatoes and it is said that the expenses were thereby raised 20 pfg. per *zentner* above the normal conditions. To be sure if we consider that the manufacturing of a raw material of so small value, which otherwise it would be impossible to utilise, nevertheless produces a good useful food-stuff, it may be said that only owing to the dessication of this perhaps otherwise irrevocably lost material a general agricultural benefit has been obtained in spite of the high costs of dessication.

It has already been said that coal is the most expensive item to be considered,

According to the figures furnished by the dependent factory No. 10 (see table) 1 *zentner* of best English coal was necessary for the production of 1 *zentner* of dessicated goods. The amount of coal consumed by other factories is expressed as follows:

Dependent Factory No. 2 - 5,152 Marks for 28,284 *zentner* of raw potatoes, i. e. 18 pfgr. per *zentner*;

Dependent Factory No. 4 - 8,000 Marks for 37,500 *zentner* of raw potatoes, i. e. 21 pfgr. per *zentner*;

Dependent Factory No. 8 - 2,470 Marks for 11,000 *zentner* of raw potatoes, i. e. 22 pfgr. per *zentner*.

Again with regard to the consumption of coal it is stated that it is the greatest with the smallest concerns. Dependent factory No. 10 used coal to the value of 22 pfgr. for each *zentner* of potatoes, whilst the largest independent factory No. 1 which disposed of 165,295 *zentner* of raw potatoes used coal to the value of 25.069 marks, which works out at only 15 pfgr. per *zentner* of raw potatoes.

Herr Oekonomierat Dobbertau, who was deputed by the German Agricultural Association to give courses of technical instruction in potato dessication at the Co-operative Society of Wittingen, also quite recently established that the consumption of coal for each *zentner* of raw potatoes fluctuated about 20-22 pfgr.

The next task for technical science must be above all, through suitable improvements, to find some means of diminishing the consumption of coal. All the industries interested are working with might and main upon the solution of this problem and it is expected, that also upon this point satisfactory results will be soon forthcoming.

#### 5. - Sale and Utilisation of the Dessicated Products.

The dessicated products are either delivered to the members who supplied the raw material, at a fixed rate for dessication of the same, or the dessication factories do business on their own account, in such a manner, that they buy the raw potatoes from the members and then resell the dessicated goods to them at the current market price.

The prices obtained, between 7.40 marks and 8.40 marks, were very satisfactory in general, although in comparison with last year's prices, when the average, was 8.20 marks, the price was a little lower. This lowering of prices is due to the low price of potatoes as also of all the food-stuffs during the last year.

However, thanks to the price obtained for the dessicated product, it was possible to maintain a satisfactory price for potatoes varying from 1.23 m. to 1.75 m. per *zentner*.

With regard to the feeding properties, all the co-operative societies have given only favourable judgments and dependent factory no. 9 reported as follows:

"The potato flakes as a food-stuff for cattle have given excellent proof of their value in agricultural circles." Dependent factory no. 1 reports: "Dessicated potatoes have been found an excellent food-stuff for horses and it is possible to substitute half the quantity of oats with potato slices. It has also been used for fattening cattle, sheep and pigs and good results have been obtained." Independent factory no. 5 says: "Potato flakes are also very good for poultry." Dependent factory no. 2 writes: "Dessicated potatoes supply an excellent, sound and absolutely irreproachable strength-giving food, which is of the greatest importance for the preservation of a healthy breed of livestock. It is much more advantageous to use the potato flakes for the production of milk or butcher's beasts than to sell them."

#### **1 Practical Application of the Results Established.**

The opinion is unanimous with regard to the high value of dessicated potatoes as a food-stuff.

For reasons of technical order, co-operative potato-dessication factories should therefore be erected in those districts where a considerable surplus of potatoes for feeding purposes is to be found on the local farms.

Owing to the decrease in the production of alcohol, caused by the latest increase of the duty on spirits, a sufficient surplus of potatoes ought to be found in extensive districts.

It must be mentioned as a favourable practice on the part of the potato-dessication co-operative societies, that they make it possible to dispose of all or nearly all of the dessicated goods among their members.

All the circles concerned have the keenest interest in minimising the cost of dessication.

The previous commercial results have proved that the greater the quantity of raw potatoes disposed of and the longer the working period is, in the same proportion do the expenses of the concern become lower.

Therefore it is necessary to make the factories as large and as efficient as possible, provided at the same time, it will be understood, that they must be able to get sufficient quantities of potatoes at a reasonable price.

Granted the quantity of potatoes at the disposal of the factory to be only sufficient to allow a working period of 100 days or fewer, in most cases the working expenses of the concern will be too high, taking into account the relatively high sums to be kept back for extinction of debt on the capital (including interest).

The working period necessary to run a concern at a profit is from 150 to 200 days and this fact should be well considered before commencing a new factory.

Should the conditions of the cultivation of a district be such, that the delivery of a quantity of potatoes, sufficient to keep the factory running at a profit, be not forthcoming, it would then be expedient to form desiccation factories, dependents of already existing co operative enterprises, such as distilleries, starch factories or dairies, or butter factories and this, for the reasons given above, and always taking account of the various conditions of local order.

## 2. The Separation of the Goods Service and the Bank Service in the Central Loan Bank for Germany.

(*Landwirtschaftliche Central Darlehenskasse für Deutschland*).

As we already mentioned in our preceding *Bulletin*, the Raiffeisen Organization, in 1909, decided to give up the business of wholesale purchase of material necessary for agriculture, in which it had been engaged since 1899, in favour of the federations dependent upon it in the various parts of Germany.

The Central Agricultural Loan Bank for Germany was founded in 1876, by Raiffeisen himself under the form of a Society limited by Shares, which was to serve as a clearance house for the Raiffeisen Banks. When, later on, it became necessary to organize a service for the purchase of material necessary in agriculture, Raiffeisen himself at first instituted a special office for these purchases: after his death, this office was transformed into a commercial society, under the name of "Raiffeisen and Co."

The extraordinary advance made by the co-operative societies towards the middle of the decade 1890-1899 caused so great an increase in the purchase of material required in agriculture that it became necessary to provide this service with a far more extensive organization. So, in 1899, the Central Agricultural Loan Bank took over the business of the firm Raiffeisen and Co. The purchase of goods by the above mentioned bank increased in an extraordinary manner, and, in 1909, exceeded 71 millions of marks.

The banking operations having at the same time developed in proportions no less considerable, the difficulties occasioned by this double service may be easily conceived. This is why it was decided to have recourse to a certain decentralisation of the goods service, this service having, in addition, a central representation in the National Federation of the German Agricultural Co-operative Societies; to which the Raiffeisen Organization has belonged since 1905. The two organizations thus continue to work, each on its own account, while remaining united in the principal business.

The Provincial Federations dependent on the central Agricultural Loan Bank, have, conformably with the decision taken, organized, each in its own district, central purchase offices, each of which works at its own risk and invests the profits realised by it, in the district itself, while, previously, all the profits went to the Neuwied Central Bank. There is reason to think that the possibility the co-operative societies now enjoy of investing

the profits they realise for the exclusive advantage of their own central societies will contribute to encourage a still further increase in the purchase of goods.

The National Federation of the German Agricultural Co-operative Societies still remaining at the head of the service, the unity of action of all the central offices of co-operative purchase in large questions of collective interest remains assured.

Eight of these Central purchase offices have been instituted up to the present by the 13 provincial federations forming part of the Neuwied organization. Besides the Posen Bureau, which has been working since 1905, there are now the following Central purchase offices:

At Berlin: the *Commercial Society of the Agricultural Co-operative Societies* (Handelsgesellschaft ländlicher Genossenschaft). Capital: 800,000 marks;

At Brunswick: the *Rural Commercial Society of the Raiffeisen Organization*. (Ländliche Handelsgesellschaft Raiffeisenscher Organisation mit beschränkter Haftung). Capital: 400,000 marks;

At Breslau: the *Silesian Sale and Purchase Society of the Raiffeisen Organization* (Schlesische An- und Verkaufsgesellschaft Raiffeisenscher Organisation, mit beschränkter Haftung). Capital: 300,000 marks.

At Dantzig: the *Agricultural Society for Wholesale Trade* (Landwirtschaftliche Grosshandelsgesellschaft, mit beschränkter Haftung). Capital: 1,200,000 marks.

At Erfurt: the *General Thuringian Co-operative Society for Purchase and Sale of Material Necessary for Agriculture and Agricultural Produce, a Registered Co-operative Limited Liability Society* (Thüringer Hauptgenossenschaft zum Bezug und Vertrieb landwirtschaftlicher Bedarfsartikel und Erzeugnisse, eingetragene Genossenschaft mit beschränkter Haftpflicht).

Shares of 500 marks. Liability limited to 2,000 marks per share.

Up to the present the co-operative society has issued 735 shares, 336,500 marks of paid up capital, besides a total guarantee of 1,470,000 marks;

At Cassel: the *Agricultural Society of Purchase and Sale "Hessenland"*, of limited liability. Capital: 500,000 marks;

At Coblenz: the *Rhenish Society of Purchase and Sale of the Raiffeisen Organization* of limited liability. (Rheinische An- und Verkaufsgesellschaft Raiffeisenscher Organisation). Capital: 500,000 marks.

Thus five central purchase offices have been constituted under the form of limited liability companies, one as a society limited by shares and one under the form of a co-operative society also of limited liability.

In giving the offices the form of Societies, the idea evidently was that they might dispose of their capital absolutely independently, as the cap-



ital was secure against the fluctuations that the co-operative funds might be subject to, according as the number of their members varies, seeing that the withdrawal of any member implies the loss of the portion of capital due to him.

Further, the risks to be run by the members of a Society are less, being limited to the money paid up by each of them: while the members of a co-operative society have always to assume, be it even within definite limits, a certain complementary liability.

Preliminary arrangements are so far advanced in the other districts where the Raiffeisen Organization has its dependencies (Frankfurt, Königsberg, Ludwigshafen, Nuremberg and Strassburg), that the institution of central purchase offices may be realised in them very soon.

## II. — RECENT NEWS.

### I. Work of the Federations and Central Institutions of the Co-operative Societies and of the Large Agricultural Associations.

#### A. FEDERATIONS AND CENTRAL INSTITUTIONS OF THE CO-OPERATIVE SOCIETIES.

1. **24,175 Agricultural Co-operative Societies.** — According to the statistical data of the **National Federation of the German Agricultural Co-operatives Societies** (Darmstadt), the number of agricultural co-operative societies in December 1910 received an increase of 71, so that on the 1st January, 1911, there were in Germany 24,175 agricultural co-operative societies coming under the law on the co-operative societies, that is to say :

- 94 central co-operative societies ;
- 15,616 rural credit banks ;
- 2,265 co-operative societies for purchase and sale ;
- 3,213       »       butter factories ;
- 151         »       societies for the sale of milk ;
- 2,836 other co-operative societies.

1,043 new agricultural co-operative societies were constituted in 1910, whilst 230 of those already existing liquidated their affairs, so that there was a real increase of 813 co-operative societies. The increase in the preceding years had been, in 1909, 1,048, and in 1908, 1,005: consequently, the increase in 1910 is less notable.

The new co-operative societies may be divided as follows :

- 1 central co-operative society ;
- 437 rural credit banks ;
- 108 co-operative societies for sale and purchase ;
- 137 butter and milk dairies ;
- 361 other co-operative societies.

In this last class predominate the co-operative societies for employment of electric energy (104), for the utilisation of machines (62), for water supply (32), and for the dessication of potatoes (28).

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## 2. Variation in Number of Members in the Raiffeisen Organization in 1910. —

In the course of 1910 there were added to the Raiffeisen-Neuwied Organization (which is the most important of those constituting together the Imperial Federation of Darmstadt) 204 new members, that is to say: 109 Raiffeisen Banks, 87 other co-operative societies, and 8 other societies.

According to the principles of the Raiffeisen organization, all the 109 Raiffeisen Banks above mentioned are limited liability societies.

Of the 87 other co-operative societies, 11 are limited and 76 unlimited, whilst of the 8 other abovementioned societies, 7 are limited liability societies and the eighth is a society limited by shares.

The 87 various co-operative societies, mentioned above, are divided as follows:

- 2 central credit co-operative societies;
- 1 central co-operative society for purchase and sale of goods;
- 6 co-operative societies for sale and purchase;
- 19 butter factories;
- 2 distilleries;
- 11 co-operative societies for the employment of machine threshers:
  - 1       »       society       »       »       steam ploughs;
  - 2       »       societies   »       »       agricultural machines;
  - 11      »       "       "       sale of cattle;
  - 3       »       "       "       dessionication of potatoes;
  - 3       »       colonization societies;
  - 23      »       societies for the employment of electrical energy;
  - 2       »       "       "       "       acetylene gas;
  - 2       »       building societies;
  - 1       »       brewers' society.

The 8 non co-operative societies are divided as follows:

- 1 Central Society;
- 4       »       Societies for Purchase and Sale of Goods;
- 2 Distilleries;
- 1 Society for Building and for Trade in Wood.

84 members have left the society, that is to say: 45 Raiffeisen Banks and 39 other co-operative societies.

32 Raiffeisen Banks and 28 other co-operative societies went into liquidation; 9 Raiffeisen Banks and 9 other co-operative societies withdrew spontaneously; 4 Raiffeisen Banks and 2 other co-operative societies have been excluded from the organization.

The co-operative societies liquidated are divided as follows; 2 co-operative societies for purchase and sale, 4 butter factories, 1 central viticulturists' society, 1 viticulturists' society; 1 society for trade in grain, 1 society for the sale of cattle, 1 distillery; 2 agricultural societies for production; 1 for the hemp trade, 1 for horse breeding, 2 co-operative societies for the employment of machine threshers, 2 corn milling co-operative societies, 1 steam saw mill and 1 purchase co-operative society.

The reasons for their going into liquidation were various: the too relentless competition on the part of the merchants, the insufficiency of their gains, the want of the necessary competence in their administration, or the fact that the members themselves were not well experienced in co-operative business. It is in the class of "Miscellaneous Co-operative Societies" that cases of liquidation occur most frequently, because it is in these special forms that co-operation meets with the greatest difficulties and it is better for them to liquidate than to expose themselves to losses more or less considerable, when the conditions are found to be unfavourable to co-operative enterprise.

There was a case of a society withdrawing at the request of its federation and a case of a society leaving the organization because it had transferred its action to another district.

The exclusion of 4 Raiffeisen banks, of a co-operative society for sale and purchase and one for the employment of machine threshers was due to their non-observance of the instructions of the federation as to their administration.

Consequently, the year 1910 left the Raiffeisen organization with a total increase of 120 members (64 Raiffeisen co-operative societies and 56 other co-operative and other societies). We give here a table of the annual increase for the last ten years:

1901 . .	91	Raiffeisen Banks,	78	other co-operative societies,	Total	169
1902 . .	194	"	"	75	"	269
1903 . .	176	"	"	85	"	261
1904 . .	209	"	"	70	"	279
1905 . .	105	"	"	30	"	135
1906 . .	96	"	"	58	"	154
1907 . .	81	"	"	26	"	107
1908 . .	100	"	"	29	"	129
1909 . .	59	"	"	76	"	135
1910 . .	64	"	"	56	"	120

The results of 1910, as we see, could not have been more satisfactory, although the absolute increase in the figures themselves is less marked. But the co-operative organizations have gained much in compactness, which necessarily causes a gradual diminution of the absolute increase.

However it be, the Raiffeisen organization constitutes a federation of co-operative societies of uniform constitution, such as exists very probably nowhere else; for, at the beginning of 1911, it consisted of 5,302 co-operative and other societies (4,463 Raiffeisen Banks and 839 other co-operative societies).

3. **Berlin.** — On the eighth of December, 1910, the 15.th **Ordinary Session of the Federation of the Agricultural Co-operative Societies of the Province of Brandenburg** was opened at the seat of the Provincial Diet (*Landeshaus*). We take the following data from the annual report read at the Congress:

In 1909, there were added to the federation 62 new co-operative societies, so that, at the end of 1909, the co-operative societies composing the federation were 588, with altogether 35,000 members.

451 rural co-operative banks did a total cash business (outgoings and incomings) of more than 177 millions of marks. The loans granted and credits opened for members in current accounts were represented by 32 millions of marks.

The deposits received at the Savings Bank had risen, at the end of 1909, to 38 millions of marks and show, compared with the preceding year, an increase of 6 millions.

At the Central Bank, 315 co-operative societies had a credit balance of 9,700,000 marks and 135 co-operative societies a debit balance of 3,600,000 marks. The rural co-operative societies have taken an active part in the purchase of material necessary for agriculture; in 1909, purchases to the amount of 937,000 marks were made.

The credit balance of the co-operative credit societies figured at the end of 1909 as 1,144,762 marks and the reserve fund figured as 840,695 marks.

In the course of 1909, 38 butter factories treated 68,348,000 litres of milk. Deducting the expenses, the produce sold brought in 6,075,000 marks. On an average 8.89*d.* was paid per litre, against 8.78*d.* in the preceding year.

The Central Bank of the Federation did a business (outgoings and incomings) of 96,400,000 marks and, with assets amounting to eleven millions, it showed a net profit of 43,000 marks.

2 other central purchase co-operative societies have joined the federation, namely, the Brandenburg Sale and Purchase Central Co-operative Society and the Principal Agricultural Co-operative Society). The members of the first are, for the greater part, co-operative societies, whilst the second (*Hauptgenossenschaft*) is especially composed of the great landed proprietors of Brandenburg.

The sales of goods of the co-operative societies (numbering 333), that compose the first of the two central co-operative societies in question amounted to 3,040,000 marks, those of the members of the *Hauptgenossenschaft* (numbering 837) to 19,611,000 marks.

The other co-operative societies (starch-factories, distilleries, societies for dessication of potatoes, purchase, sale and employment of agricultural machines, etc.), have also progressed satisfactorily and bring their members large profits.

Inspections made by the federation have shown that the affairs of the co-operative societies are almost without exception in perfect order.

4. **Breslau.** — The **Federation of the Rural Co-operative Societies Belonging to the Raiffeisen Organization** in the province of **Silesia** assembled in Congress on the 23<sup>rd</sup> November, 1910. The Report for 1909, read at the Congress, contains the following data.

On the 1<sup>st</sup> January, 1910 the federation was composed of 460 Raiffeisen Banks and 85 other co-operative societies, or altogether 545 co-operative societies with 50,000 members.

The inspections made showed that the number of co-operative societies working with perfect regularity is constantly increasing. The book-keeping courses have greatly contributed to this improvement in the work of the co-operative societies.

In 1910, the book-keeping courses were attended by 56 persons.

The federation has 42 dairies, that, in 1909, sold 65 million kilogrammes of whole milk (8 million kilogrammes as milk and 57 millions under the form of various sorts of manufactured produce).

These dairies, at the end of 1909, had a reserve fund of 448,000 marks.

The law increasing the tax on alcohol having reduced the production of the co-operative distilleries, which otherwise are working satisfactorily, a certain decrease in the average production is observable and no new co-operative distilleries have been founded. To make up for this, the co-operative societies are devoting themselves more and more to the dessication of potatoes, and six new co-operative societies of this character have joined the federation.

Further, there belong to the federation 29 co-operative societies for the employment of electric energy (these are exclusively co-operative societies for placing the wires).

The Breslau Division of the Central Agricultural Loan Bank for Germany of which the headquarters are in Berlin, in 1909, did a total business (incomings and outgoings) of 61 millions of marks.

The rates of interest were  $3\frac{1}{2}\%$  on debts to be paid immediately on demand;  $3\frac{3}{4}\%$  on debts payable on due notice, and from  $4\frac{1}{4}\%$  to  $4\frac{1}{2}\%$  on loans.

In 1909 the co-operative societies had 4,300,000 marks to their debit at the said branch of the Berlin Bank, and 8 millions of marks to their credit.

In 1909, the Silesian Society for sale and purchase (*Schlesische An- und Verkaufsgesellschaft*), a limited liability Society of the Raiffeisen organization, was founded as the central organ of the co-operative societies for the purchase of goods.

In the course of the first half year a net profit of 73,000 marks was obtained, from which  $5\%$  was deducted as dividend on shares, and 41,000 marks were placed to the reserve fund.

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5. **Cassel.** — The *Messenger Raiffeisen*, Cassel (*Casseler Raiffeisen Bote*) publishes the following data on the co-operative societies composing the **Federation of the Rural Co-operative Societies of Hesse** for the year 1909:

At the end of 1909, 400 Raiffeisen Banks were associated in the federation and the number of their members was 47,000. These banks did a total business (outgoings and incomings) of 91 million marks, exceeding by 17 million marks the amount of the preceding year.

The reserve fund of the co-operative societies amounted to 166,000,000 million marks. The deposits at the special savings bank offices amounted to 51 million marks, of which 39 millions have been invested in loans. There is an increase of  $9\frac{1}{2}$  million marks in the former and 6 millions in the latter.

In the Berlin clearance house (The Central Agricultural Bank for Germany) the Hessian Co-operative societies had  $6\frac{1}{2}$  million marks to their credit and  $2\frac{1}{2}$  million marks to their debit.

The Central Agricultural Loan Bank for Germany having given up its goods business in 1909, the Hessian co-operative societies, in the autumn of the same year constituted the society *Hessenland*, which serves them as a central organ for the purchase of material necessary in agriculture.

Further, in 1910, the *Hessian Agricultural Bank* was founded (Hessische Land Bank) with a capital of 250,000 marks and the mission of counteracting speculation in land (*Güterschlächtere*).

The co-operative granaries (*Kornhausgenossenschaften*) in 1910 sold 233,000 *zentner* of corn for 2 million marks and 124,000 *zentner* of manure and forage for  $3\frac{3}{4}$  millions of marks.

The federation, which has now existed 28 years, includes to-day 417 co-operative societies, with altogether 50,000 membes. The *Casseler Raif-*

*feisenbote* which serves as its official journal, has a circulation of 30,000 copies. The Federation has again, in 1910, organized book-keeping courses, which last a week and are attended by book-keepers, cashiers, members of the boards of management and of the offices of supervision of the co-operative societies. The attendants at these courses were 116, which shows the interest the Hessian farmers take in co-operation.

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6. **Halle on Saale.** — At the end of 1910 the **Federation of the Agricultural Co-operative Societies of the Province of Saxony** was composed of 1,103 co-operative societies, divided as follows:

District	Number	Rural Banks	Butter Factories	Cooperative Societies for Purchase and Sale	Other Co-operative Societies
Saxe-Weimar . . . . .	10	4	5	4	4
Saxe-Gotha . . . . .	16	8	2	6	—
Saxe-Meiningen . . . . .	7	1	4	1	1
Brunswick . . . . .	5	—	5	—	—
Saxe-Altenburg . . . . .	3	3	—	—	—
Anhalt . . . . .	58	33	15	2	8
Schwarzenburg . . . . .	9	3	2	1	3
Magdeburg . . . . .	488	264	133	8	83
Merseburg . . . . .	377	242	72	11	52
Erfurt . . . . .	124	83	17	12	12
Total . . . . .	1,103	641	258	43	161

7. **Halle on Saale.** — The **Halle Federation of the Agricultural Co-operative Societies of the Province of Saxony** and the adjacent States has just opened an electro-technic division having for its special mission the exclusive representation of the interests of the agricultural district, over which the action of the federation extends, in all that relates to the employment of electrical energy. It is known that the large houses engaged in electric business have in late years begun to extend their field of action to the country districts, where a large number of electric stations have been instituted. In the installation of these stations account has not always been taken of the interests of the agricultural population; on the contrary their founders have sought to derive the greatest possible advantage for themselves from the inexperience of the farmers in the matter and they have succeeded.



The electro-technic branch of the Halle<sup>1</sup> federation is to remedy the ills thus resulting to the farmers.

Its mission is to lend its assistance to those interested in the institution, construction and management of co-operative societies for the employment of electrical energy. Further, the electro-technic branch lends its assistance to the members of these co-operative societies, in revising the estimates for installation at their homes. Experience has shown the efficacy of this service, which secures the farmer, member of one of these co-operative societies, from excessive expense in installation. The expenses of installation by the various co-operative societies for the employment of electrical energy, in spite of the largest and most conscientious support they receive from those concerned, have exceeded, and greatly exceeded, their anticipations. The high cost of installation is due, generally, to a neglect of the precautionary measures necessary in the execution.

The expense to which this work of the electro-technic branch subjects each of the members is very small compared with the advantage derived from it. For this service account is only taken of the real direct expenditure which, in the case of the revision of an estimate or of advice given, amounts at most to ten or twenty marks. The complaints from interested persons already reaching the co-operative societies for the employment of electrical energy, prove that, thanks to this service of the electro-technical branch, considerable sums may be spared in the installation in houses.

It is evident that such consulting offices are of great advantage for all those who require electrical installation at their homes.

#### B. LARGE AGRICULTURAL ASSOCIATIONS.

1. **The German Board of Agriculture** held its 39th general meeting from the 14th to the 17th February, 1911, at the palace of the Upper Chamber, Berlin. The meeting had to decide with regard to the following

##### *Agenda.*

Tuesday, 14th February.

1. Measures for the Supply of Meat to the Population and the Attitude assumed by the Municipal Administrations towards the Proposals formulated with regard to the matter by the German Board of Agriculture. Opener of the Debate, Herr Andrä (Braunsdorf), Privy Councillor for Economics.

2. Provisions for the application of the Law on Epidemics of Contagious Cattle Disease. Opener of the Debate: Prof. Dr. Dammann (Hanover), Government Medical Privy Councillor.

3. Have there been notable changes produced in the Diet of the Ger-

man Agricultural Population ?<sup>b</sup> Opener of the Debate: Dr. Herz (Munich), Councillor for Rural Economy.

4. The Agricultural Development of our Colonies, the Course it follows and the End to be attained: Opener of the Debate: Dr. Wohltmann (Halle), Government Privy Councillor.

Wednesday, 15th February:

5. The German Marshes and their Value for German National Economy. Opener of the Debate: Prof. Dr. Packe (Bremen).

6. The Education of the young men from the time of leaving school to that of taking military service. Opener of the Debate: Field Marshall General Count von Haseler (Harnecop).

7. The Dismortgaging of Lands used for Agriculture, taking special account of the Work of Relief accomplished by the Landschaft of East Prussia and its results. Opener of the Debate: Dr. Kapp (Königsberg), Superior Government Privy Councillor.

8. The Rural Land Taxation Service. Opener of the Debate: Dr. Baron von Cetto (Reichertshausen), Manager of the Bavarian Agricultural Bank, Munich.

Thursday, 16th February:

9. The Economic Relations between German Industry and the National Agriculture. Openers of the Debate: Herren Steinmann-Buchner (Berlin), Opitz (Dresden), Government Privy Councillor, Dr. Felber (Berlin), Manager of the Kalisyndicate.

10. Importance and Organization of Agricultural Instruction in the Army. Opener of the Debate: Herr Maier-Bode (Augsburg), Rural Councillor of Economy.

11. The Present State of the Geologico-Agricultural Returns in Germany and their Use for Practical Agriculture. Openers of the Debate: Professor Dr. Jentsch (Berlin), Privy Councillor for Mines, and Professor Dr. A. Sauer (Stuttgart).

12. The Supply and Price of Butchers' Meat in France. Opener of the Debate: Dr. Hailer, Agricultural Agent at the General Consulate for Germany, Paris.

Friday, 17th February:

13. The Agricultural Service for Experiment and Control in Germany and its Colonies. Opener of the Debate: Dr. Neubauer (Bonn).

14. Bill on the Removal of Animal Carcasses. Opener of the Debate: Herr Saenger (Diersheim), Deputy to the Diet.

15. Reports of the Commission for Commercial Usages and of the Commission on Usages in the Potato Trade:

a) Conditions for traffic in cattle foods traded in;

b) General provisions as to the trade in chemical manures and the Superphosphate Industry;

c) Usages in the Saltpetre Trade;

d) Conditions for the German Potato Trade.

Opener of the Debate: Herr Rettich (Rostock), Councillor for State Lands.

16) Report on the experiments in manure, subsidised by the Home Department. Opener of the Debate: Prof. Dr. Kellner (Möckern), Aulic Privy Councillor.

17. Adoption in all the Confederated States of the System of Certificates of Legitimation for Foreign Workmen. Opener of the Debate: Baron von Thungen (Thungen), Councillor of State.

In the next number of this Bulletin we shall give a full report of the decisions taken by this assembly.

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2. **The Prussian Board of Agriculture (Landes-Oekonomie-Kollegium)** held its 12th General Meeting from the 9th to the 12th February, 1911, at the seat of the Brandenburg Provincial Diet, Berlin.

The Meeting had to determine with regard to the following

### *Agenda*

#### I. Administrative business of the Board

1) Communications on the results of the new elections for the year 1911-1912.

2) Election of the President and Vice-president (§ 8 of the regulations).

3) Election of the Permanent Commission (§ 4 of the regulations).

4) Election of the General Secretary (§ 10 of the regulations).

5) Replies of the administrative authorities with regard to the Resolutions passed by the Landes-Oekonomie-Kollegium in 1910.

Opener of the Debate: the General secretary, Dr. von Altröck, Berlin.

6) Report on the Work of the Permanent Commission in 1910.

Opener of the Debate: the General Secretary, Dr. von Altröck, Berlin.

#### II. Proposals to be made by the Landes-Oekonomie-Kollegium:

7) Utilisation of the antisocial elements in the work of clearing lands etc. and the regulation of the subject in the new Penal Code and in the law on expiation of penal sentences.

Opener of the Debate: Privy Councillor Krohne.

8) Specific verification of glanders (with demonstrations).

Opener of the Debate. Privy Councillor Prof. Dr. Schutz, Berlin.

9) Customs questions and questions of Book-keeping (Report on the Conference of 12th and 13th October 1910)

First speaker: The Prefect von Klitzing, Niederzauche.

Second speaker: Prof. Dr. Aereboe, Berlin.

10) The Studies of the Chambers of Agriculture and the Landes-Oekonomie-Collegium on the question of Agricultural Labourers.

First speaker: Prof. M. Sering, Grunewald.

Second speaker: Dr. Asmis, Berlin.

11) What are the results of the new service of information with regard to sowing and harvesting in Prussia?

Opener of the Debate: Prof. Dr. Von Woikowsky-Biedau, Berlin.

III. Proposals made by the Chambers of Agriculture.

12) The necessity of passing a Law on the trade in food stuffs for cattle, corresponding to the law on the trade in food stuffs, etc., considered from the sanitary and veterinary point of view.

First speaker: Privy Councillor Dr. Dammann, Hanover.

Second speaker: Prof. Lemmermann, Berlin.

IV. Reports of the Chambers of Agriculture for 1909:

13) Agriculture.

Opener of the Debate: Herr Maertens, Sieberhausen.

14) Sylviculture.

Opener of the Debate: Prof. Dr. Moeller, Eberswalde.

15) Horse-breeding.

Opener of the Debate: Herr von Born-Fallois, Siemno.

16) Cattle-breeding (Report of the sitting of the Permanent Commission of the 18th and 19th November, 1910).

Opener of the Debate: Herr von Arnim, Gueterberg.

17) Cultivation of vineyards, orchards and kitchen gardens.

Opener of the Debate: Count von Appersdorff, Ober-Glogau.

In the next number of the Bulletin we shall give a full report of the decisions taken at the meetings.

3. In its 32nd Meeting of the 17th December, 1910, the West Prussian Chamber of Agriculture, amongst other matters, occupied itself with the question of the **Transformation of the Central Office (Zentralstelle) of the Prussian Chambers of Agriculture into a Confederation (Verband) of these Chambers**. The President explained how these chambers were founded, on the basis of the law of 30th June, 1894, and how the need of a Central Institution had long been felt. To satisfy this need the chambers founded the Central Office of the Prussian Chambers of Agriculture, which, however, was not able completely to satisfy the ends for which it was intended. Its character as a private institution, especially, was found to be a great defect, as it did not permit of its coming into relations with the administrative authorities

or representing the Chambers, which, for their part, were institutions under public law.

To bring a remedy to this state of things it had been proposed that the Chambers should unite in a Federation in public law.

But, for that, the previous consent of all the Chambers was necessary. After sight of the Financial Statement of the Central Office and future Confederation, the meeting unanimously voted for the transformation.

(Summarised from the *Westpreussischen Landwirtschaftliche Mitteilungen* (West Prussian Agricultural Communications), 26th January, 1911).

## 2. Miscellaneous Information.

1. **Progress of Co-operation: 30,500 Co-operative Societies.** — The Review *Blätter für Genossenschaftswesen*, in its 1st number of 7th January, 1911, publishes very important data as to the present condition of the Co-operative Societies in Germany, supplied by Dr. Hans Cruger (Charlottenburg), the well known Syndic General of the Federation of Urban Co-operative Societies. We reproduce them here in summary form.

At the end of 1910, there were about 30,500 Co-operative societies in Germany. The Co-operative societies then constitute the most widespread form of Association in the Empire.

As to the work of the German Co-operative societies, in accordance with official publications and other trustworthy data, the total business done by them (outgoings and incomings) in 1909, may be estimated at 20,000,000,000 marks at least, shared among four million members.

The total of the working capital, consisting partly of capital belonging to the co-operative societies and partly of borrowed capital, amounted at the end of 1909 to 4,400,000,000 marks.

Co-operation, as we see, in Germany represents an extraordinary economic force, which serves, in the largest acceptance of the term, as a fulcrum, for the middle class of artisans, small shopkeepers, and Agriculturists in the widest sense. The co-operative societies include within their field of action also the civil servants and workmen, and it would be difficult to appreciate all their importance for the general prosperity.

What is specially notable is that they have succeeded in directing the movement on the right lines, thanks to the union of several groups of co-operatives societies at the proper moment.

Anomalies only occur in isolated cases and are at once eliminated by the competent organs of the co-operative societies and by prudent legislation.

The co-operative societies take a lively interest in the projected (although temporarily adjourned) legislative regulation of the system of bank deposits. Thus, for example, the general congress of co-operative credit societies of the Schulze-Delitsch system, assembled at Bad-Nauheim, adopted the resolution of spontaneously submitting themselves to a more complete public control, by the publication of intermediary balance sheets, as the great Berlin Banks have been doing for some time.

In order that the public may be informed, as completely as possible, of the state of the affairs of the societies, they are making an attempt to show in their statements not only the engagements already definitely concluded, but also those commenced but not yet definitely terminated.

In competent circles, however, it is doubted whether all these efforts may not arrest the realisation of the projected legislative regulation of the system of deposits, seeing that this measure was conceived by the Government with the intention of influencing the price of Government Stock.

The Hamburg Central Federation of German Distributive Co-operative Societies, which, while, in appearance, keeping itself neutral, really is only composed of co-operative societies recruiting their members among the socialist workmen, tends, in fact, by its system of absorption, to destroy the independence of the distributive co-operative societies as isolated units.

The distributive co-operative societies not forming part of the Hamburg Federation have even formulated complaints that the tendencies of this federation have already begun to insinuate themselves in the general meeting especially in the election of the Boards of Management and of Supervision.

A decree of the Imperial Insurance Office, dated 11th May, 1910, considerably raising the rate of interest on the loans that the official insurance institutes of the different Confederated States accord to the Co-operative Building Societies for the insurance of their workmen, has excited the alarm of these co-operative societies.

If it is recognised that this decree is to have retro-active force, the co-operative building societies will be placed for a time in a very embarrassing position and will be obliged to liberate themselves by appeal to their members for new contributions.

The co-operative credit societies have to contend against the competition of the public savings banks and the deposit departments of the other banks. Competition on the part of these latter has produced the more impression as it was quite unexpected. The banks are also trying to absorb the co-operative societies and so deliver themselves from troublesome competitors. For this purpose, attempt is made first to induce the general meetings of the Co-operative Credit Societies to transform the co-operative societies into societies limited by shares, in order afterwards to arrange their fusion with the banks. They will never succeed in eliminating the co-operative credit societies in this way, for the more the banks' work of

concentration is intensified, the more urgent need will be felt for independent credit institutions for the middle classes.

A difficult mission has fallen to the part of the artisans' co-operative societies. Attempt has been made to form, out of this class of co-operative society, by means of State subventions, an instrument for the prevention of the decay of trades. But the greatest difficulties have been encountered in the realisation of the scheme, the results of which will be made known in the more or less near future.

Sometimes there are found among the artisans notable contrasts of interest, seeing that they compete against each other, a fact which hampers in an extraordinary degree the useful work of co-operation in common.

In fact, unity of interest, such as was seen among the farmers at the commencement of the co-operative movement, is wanting here.

However it be, the co-operative societies have still great problems to solve in Germany. The co-operative movement is continually advancing, and, to judge by the success attained up to now, there is room to believe that each of the different tendencies, that seek to turn to account the co-operative idea, will ultimately find the most appropriate course for it to follow.

2. An interesting example of the **collaboration of the communes and the co-operative electricity societies** will be provided by the the great central societies of **Pomerania** for the creation of electric force. On the 17th March, the Pomeranian provincial assembly had already planned a vast programme for the constitution of 4 large "Ueberlandzentralen" to the foundation of which should contribute the province, the districts, the communes and the consumers, that is to say, agricultural co-operative societies and manufacturers. The province had entrusted the technical studies to a special engineer, Herr Kettner, who a short time ago, made his first report to the agricultural association of Greifenhagen, upon the future central Station of Belgard. He first explained the ideas which had guided the provincial administration in undertaking such a task. It was more than anything else the large number of failures of private undertakings, and the great economic losses caused by badly constituted and hastily formed organizations, which had attracted the attention of the administration. They were persuaded that the first condition of favourable progress was a sufficient number of members to guarantee the complete and continuous use of motor forces. Certain conditions, as for example the loan of a sufficiently large capital and the fixing of the price of the electricity at a uniform rate, sufficiently high to pay the interest of the loan, could only be satisfied with the help of the administrative authorities. The "Ueberlandzentrale"

(Central Station) projected was to provide electrical energy for the districts of Greifenhagen, Ueckermünde, Randow and a part of that of Pyritz.

The intention was, together with the town of Stettin, to obtain energy from the Stettin electric works. In case such contract, not yet definitely concluded, should not be advantageous enough, there were still two other possibilities: to connect with the Eberswald factories of the Mark, or to erect works at Greifenhagen. A third of the expense of the central works and of the high tension conductors (Hochspannungsanlagen), according to the project, was to be paid by the province itself, on condition that another third was paid by the arrondissements concerned, and the last by the consumers of the electricity. The prices calculated for the electrical energy were as follows:

1. The consumers belonging to the Central Station must pay for each Kilowatt-hour used in working machines 18 pfennigs, and for each Kilowatt-hour of light 35 pfennigs;

2. Consumers extraneous to the Society pay for each Kilowatt-hour used in working machines 20 pfennigs and for each Kilowatt-hour of light 40 pfennigs.

As to the contribution, for farmers it is fixed at 2 francs for each morgen (25.5 ares), and for the manufacturers specially in each case. For towns, communes and establishments requiring large quantities of energy, the prices are reduced.

The presenter of the report thinks it advisable to begin constructing as soon as possible, since just now the cost of machines, metal wires, etc. is not very high. He reports the foundation on the 27th September, 1910, of a society limited by shares, "Ueberlandzentrale Belgard", with a capital of 3.9 million marks, which must be considered as the first of four central stations provided for in the programme of the provincial administration.

It included the five arrondissements of Kolberg, Köslin, Bublitz, Belgard and Schivelbein. The electric works were constructed at Belgard and will have at first a motor power of 6,000 H. P., which will be raised later to 12,000.

The length of the network of conductors is 120 Kms of cable conductors at high tension, which supply the secondary wires and 1,000 Kms of cable conductors at high tension for distribution, with 450 transformers. On account of the low prices of the material probably the interest on the capital may be paid at once, an important condition, the want of which, as we saw in the first Bulletin, has caused the ruin of many similar undertakings.

(Summarised from the *Deutsche landwirtschaftliche Genossenschafts-Presse* (German Co-operative Societies' Press), 15th January, 1911).



3. In an interesting article, Dr Christoph of Koenigsberg deals with the **Advantage of lands held in common and the re-acquirement of them through the medium of the Agricultural Co-operative Societies.** He regrets the too hasty division of the common lands from the days of the great agricultural legislation of Stein-Hardenberg. He fails to see in common pasturages and common forests, an obsolete economic system. On the contrary, he believes, and, for that matter in agreement with the majority of modern German economists, that this institution affords considerable protection to the small landholders.

The success obtained in Mecklenburg by colonies of agricultural labourers and small proprietors is greatly due to the existence of common pasturelands permitting each villager to keep a cow and consequently to enjoy a certain comfort.

That the Prussian Government perceived the disadvantage caused by numerous subdivisions is evident, if we consider the steps taken by the General Commissions which, when founding villages, always reserved some lands for common use, such as school gardens, recreation grounds, gravel quarries and clay pits, forests and pasture lands. It could be shown that everywhere these collective properties contributed greatly to increase the affection of the villagers for their commune and to encourage a collective sentiment. The writer proposes that, where the old "allmenden" or common lands have disappeared, their place be taken by co-operative institutions. In this way, numerous co-operative pasture lands have been already instituted in Silesia, Hesse and the Kingdom of Saxony as a remedy to the evils consequent on the rearing of cattle in stables. An order of the Prussian Ministry of Public Worship, dated 31st January, 1908, recommends that school gardens be started.

Equally with the public forests, the writer considers these gardens as specially useful for the instruction and the preservation of the health of the villagers.

He advises the foundation of such co-operative societies, especially in case the commune possesses lands of small value, the divided management of which would occasion disproportionate expense. In the case of the subdivision of these lands the General Commission should be invited to reunite them and define their boundaries.

The necessity of possessing woods and lands in common is also strongly felt by the great communes and the towns, and the various schemes for surrounding them with a belt of meadow and forest land are evident proof of it.

(Summarised from *Deutsche landwirtschaftliche Genossenschaftspress* (German Agricultural Co operative Societies' Press) 15th January, 1911).

4. In the *Blätter für Genossenschaftswesen* (Leaves in favour of Co-operation) Dr. F. Schneider deals with the questions of the **guarantee of members in the credit co-operative societies**. Starting from the fact ascertained at the Nauheim Congress that the actual payments on the shares are very often quite disproportionate to the promises made, he invites the co-operative societies to fix the amount of guarantee at a low rate, but to oblige the persons in the habit of borrowing largely to take up several shares and consequently to give several guarantees. As he shows, the principal point is that the co-operative society be always in a position to fulfil its obligations. For this purpose on the one hand, there must be a certain amount of capital paid up, on the other hand, the sums guaranteed by the members must be such that they may be collected at any moment. Dr. F. Schneider thinks a guarantee of 300 M. is sufficient for the ordinary member; that it is only just that those borrowing larger sums than the others should also give additional guarantee, because it is just they who expose the co-operative societies to the risk of losses; that moderately large guarantees suffice for the protection of creditors against losses, this having already been proved by a large number of limited liability co-operative societies that do not admit of the holding of several shares by one member.

Notwithstanding these co-operative societies weathered the crisis of 1907 successfully. Yet it is preferable to increase still more every sort of guarantee. Besides, the greatest risks have not been so much the result of purely internal business, that is to say, deposits made by some members and loans granted to others, but rather of the too great confidence of the population, who came to deposit their savings. The only guarantee at that time for the safe administration of these deposits consisted in the competence and honour of the managers.

The writer sums up his explanations with the recommendation of the following principles for the credit co-operative societies of limited guarantee:

1. That the guarantee be limited to 300 Marks and that the shares be also limited to 300 Marks. In the case in which a co-operative society, which previously had taken legal form, has had up to then shares of higher value, the guarantee and the share may be a little higher;

2. Acquisition of several shares may be allowed, and insisted on in the case of those members who have received loans of 20 times as much as their share;

3. Payments for the issue of new shares must be fixed both with regard to their amount and the date of payment so that their issue may not proceed more slowly than that of the original shares. In exceptional cases, payment may be hastened.

(Summarised from the *Blätter für Genossenschaftswesen* (Leaves in favour of co-operation), 28th January, 1911).

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5. The **Colony of German East Africa** is about to follow the example of West Africa and to found a **Co-operative Bank**. The object of this establishment is to render the farmers independent of the Colonial Society and its Credit Bank which is to be established shortly.

The future Co-operative Bank will take the name of "Deutsch-ostafrikanische Genossenschaftsbank" (German East African Co-operative Bank).

It will take the legal form of a co-operative society of limited liability. The shares will be fixed at 225 and the guarantee of each member at 3,000 rupees. Its headquarters will be at Tanga. Its action will at first be limited to the districts of Tanga, Pangani, Wilhelmstal and Moschi. It has in view both the concession of credits at low rates to members and the purchase and sale of goods and raw produce.

This commercial business will be carried on, either directly or through the medium of affiliated co-operative societies. The Bank will be affiliated to the Imperial Confederation (Reichsverband) of German Co-operative Societies.

(Summarised from the *Deutsche landwirtschaftliche Genossenschaftspress* (German Co-operative Societies' Press), 30th January, 1911).

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6. **The Clergy and the Agricultural Co-operative Societies** The organs of the German Co-operative Societies have, in their turn, been occupying themselves with the papal decree of the 18th November last, which forbade the Catholic Clergy to occupy themselves with the administration of Savings Banks, Popular Banks, Co-operative Societies, etc. Thus the Bavarian "Verbandskundgabe" (Communications of the Confederation) begins with the following translation of the decree.

According to the teaching of the Apostle Paul "Nemo militans Deo implicat se negotiis sæcularibus", it is a constant law and Holy doctrine of the Church that the Clergy should not occupy themselves with worldly business, except in certain extra-ordinary cases of special dispensation, but should consider themselves as strangers to earthly things. For this reason, it behoves the Clergy, according to the instructions of the Council of Trent, to observe to the best of their ability the rules laid down there relative to their not administering worldly businesses.

Since in our days, with the Help of God, in the Christian world, many institutions have been founded for the terrestrial benefit of the Faithful, as, for example, banks, credit institutions, agricultural co-operative credit societies and savings banks, these institutions must be approved

and encouraged by the Clergy. They, however, notwithstanding, must not allow themselves to be turned aside from their real mission and expose themselves to the vexations and risks inherent in such business.

Therefore, the Holy Father, while authorizing and exhorting the Clergy to assist with council, and actively, in the formation, the protection and increase of such institutions, by this decree *expressly forbids the Clergy, whether secular priests or members of the Orders and Congregations, to accept positions in the management, which might occasion them anxieties, obligations and risks, such as those of president, director, administrator, cashier, etc., and those who have already accepted such he orders to resign them.*

The Pope consequently decides that all priests now occupying such positions, shall communicate their resignation thereof, *within a term of 4 months*, from date of publication of this decree, and that, in future, no member of the Clergy may accept or discharge such office without a special permission from the Holy See.

According to the writer of the article this decree consists of the three following parts:

1. The reasons by which it was inspired;
2. Approbation of the work of the Clergy in the social field, and even an invitation to them to occupy themselves with these matters;
3. Prohibition of their occupying certain positions in financial businesses.

The writer adds that this prohibition contains no innovation at all, that the abovementioned positions are not always compatible with the dignity and the position of a priest, but that the position of member of the Board of Supervision still remains open to the clergy. The decree, besides, admits exceptions, and it is probable that the Holy See will, as in analogous cases, leave the carrying out of these provisions to the bishops, giving them special authority. Since the decree is only concerned with Italian institutions, it is not impossible that special decisions will be taken for the case of Germany. To sum up, there is no reason to fear that the decree may do harm to the Bavarian co-operative societies, because these are, already, thanks to the improvement of popular instruction, sufficiently independent not to require further the active collaboration of the Clergy.

(Summarised from the *Verbandskundgabe* (Communications of the Bavarian Confederation) of 15th December, 1910).

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**7. For the Encouragement of Home Colonization.** — The Ministers of Agriculture, of Crown Lands and Forests, of Home Affairs and Finance on

the 16th December, 1910, addressed the following circular to the Presidents of the District Councils and the General Commissions:

" Dr. Sering, a University Professor, on the 11th of February of this year delivered a lecture at the Royal College of Economics, upon the "subdivision of land property and the desertion of the country districts." This lecture, which met with general appreciation from the audience, gave rise to a resolution inviting the Government to take energetic measures for the extension of small and moderate sized properties, especially in those regions where the agricultural population is stationary or decreasing. The lecturer produced in support of his conclusions detailed statistical data which have been published as a volume by Paul Parey, publisher, Berlin. S. W. Hedemannstr. 10. The Royal Government has long been applying itself very specially to the energetic encouragement of home colonization. As Professor Sering's publication provides precious details relative to the different subjects closely bound up with this colonization, it is desirable that the work should have the largest circulation. We particularly recommend the study of it to the authorities interested, especially to the general administrative and the agricultural organs. It is to be hoped that the consultation of this work will contribute to strengthen the conviction of the urgent necessity of actively pushing on the work of home colonization.

" With the present are forwarded copies of the work for distribution among the rural councillors and the special commissaries.

" For the same purpose copies of statistics are attached, dealing with the subdivision of landed property in the various districts, and published in virtue of a decision taken by the College of Rural Economics on the 11th February of this year. "

**8. Still on the Subject of Colonization.** — The King's Speech, read by the Imperial Chancellor, Dr. von Bethmann Hollweg, on the 10th January, at the opening of the Prussian Chamber of Deputies, contains the following passage:

" The work of home colonization, rendered necessary by economic and social needs, is progressing. Considerable sums have recently been allocated to the institution, in the Provinces of Brandenburg and Pomerania, of organizations of public utility, having for their mission the increase of the number of peasant properties and of the permanent domiciles of agricultural labourers. An exchange of views is now going on with reference to the question whether this work of colonization may be encouraged by legislative measures. Special study is being made with regard to the extension of colonization to marshy lands, up to now left uncultivated, and other unoccupied regions.

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“ In order to encourage the physical and moral development of the youth after leaving school, the Royal Government has decided to organize special establishments after a definitive plan. Special sums have been allocated to this purpose on the estimates of 1911. These sums are first for the extension of the work of the, existing establishments, the creation of which is due to private initiative: unifying the experienced action of those who have contributed to this work. The efforts of the Royal Government can only be crowned with success on the condition of a large and spontaneous collaboration on the part of the population.

“ The bill rendering attendance at the rural adult Schools (*Fortbildungsschulen*) obligatory, in the Provinces of Brandenburg, Pomerania, Saxony, Westphalia, the Rhenish Provinces and Hohenzollern, a bill that the last session left in abeyance shall be again submitted to your consideration.

“ The promulgation of a similar law for Schleswig-Holstein is also contemplated. ”



# CO-OPERATION AND ASSOCIATION

## AUSTRIA.

### I. — CURRENT QUESTIONS.

#### New Statistics of Agricultural Co-operation in Austria.

##### § 1. *Introduction.*

As we already remarked in the first number of our Bulletin, up to now, the statistics of agricultural co-operation in Austria have left much to be desired.

The statistical authorities for this form of economic organization were up to recently the *Austrian Handbook of Statistics* (*Oesterreichisches statistisches Handbuch*) published by the I. R. Statistical Commission; an annual publication of the Agricultural Department upon the co-operative dairies and other establishments concerned with milk products; the Reports of the General Federation of Austrian Agricultural Co-operative Societies, above all its Report for 1907; the Reports of the different Provincial Federations and the returns of some Provincial Juntas (1). But all these materials are incomplete, fragmentary and different methods have been followed in their preparation.

Agricultural co-operation, in Austria, is, however, a factor of very considerable importance, largely influencing the economic conditions of the agricultural class.

Let us remember that on the 1st January, 1910, the agricultural co-operative societies numbered 9,723 of which 7,116 were Raiffeisen Banks.

It is evident that in order to judge the co-operative movement accurately and to solve the problems connected with it, sure, precise, complete and detailed statistical data are required. For this reason, the General Federation, in response to a request from the Agricultural Department, set

(1) For the Bibliography and Description, see the preceding numbers of the Bulletin.



to work to prepare extensive and detailed statistics for the whole subject of agricultural co-operation. We shall now examine the first volume which recently appeared and bears the title: *Mitteilungen aus der Statistik der landwirtschaftlichen Genossenschaften in Oesterreich. Herausgegeben im Auftrage des K. K. Ackerbauministeriums von dem Allgemeinen Verband landwirtschaftlicher Genossenschaften in Oesterreich. I. Band, Wien, 1910. Selbstverlag des Allgemeinen Verbandes.* (Communications upon the Statistics of Agricultural Co-operative Societies of Austria. Published by Order of the I. R. Agricultural Department, by the General Federation of Austrian Agricultural Co-operative Societies. 1 volume. Vienna, 1910. Edition of the General Federation).

In the preface, to this volume, the most striking passages of which we shall reproduce, the method adopted in the collection and preparation of the data is explained.

It also contains information serving to enlighten us as to the range of these new statistics.

"It has been attempted to make them complete in so far as it is possible to obtain uniform data on the subject.

"The present volume must be considered as a beginning. It does not contain detailed statistics for the entire subject of co-operation, but, for the moment, only the data referring to the *Co-operative Credit Societies of Raiffeisen System*, the *Co-operative Dairies*, the *Co-operative Warehouses* and the *Federations of Co-operative Societies* have been worked out, for it is only for these forms of co-operation that statistical data can be obtained. But even for the latter kinds of co-operative societies our statistics make no pretence to be complete, for our labours are not based upon official data, but on the reports received from the General Federation and derived from the various Provincial Federations of the co-operative societies. It was therefore only possible for us to publish what the Federations were in a position to put at the disposal of the General Federation. For the co-operative dairies use was made of the annual statistics prepared by the Agricultural Department.

"In order to get the desired data in its completest form, we had to go back to the year 1907; the data for the years 1908 and 1909 are not yet obtainable.

"The Credit Co-operative Societies (Raiffeisen System) are classified according to the Federation to which they belong. They are divided carefully into two categories: *a*) Raiffeisen Banks, that in 1907 were affiliated to Federations affiliated to the General Federation; and *b*) Raiffeisen Banks affiliated to Federations, that in 1907 did not belong to the General Federation. The Raiffeisen Banks not affiliated to Federations or the Provincial Juntas are classed separately. The statistical and analytical account is followed by synthetic tables grouping the co-operative societies ac-

cording to Federation, province and nationality (this latter distinction being determined by the language employed for purposes of trade).

" The statistics of the co-operative dairies and co-operative warehouses have been compiled in the same way.

" The Federation is well aware that in this first attempt there are still many omissions. But the work is to be pursued, completed and improved more and more each year ".

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The point from which the statistics start is the affiliation or not of the co-operative society to a Provincial Federation. For the return, the territory is not the administrative unit (*Kronland*), as in the official publications, but the territory over which the action of a Federation extends. In the case of the Raiffeisen Banks, the co-operative dairies and warehouses each co-operative society is considered as a statistical unit.

Each Central Bank is also considered separately, whilst for the other agricultural societies only the mere indication of their number is given.

The intrinsic value of the publication in question is certainly considerable, although the data it contains are not very recent. But as in the *Monograph on the Present State of Agricultural Co-operation in Austria*, in the first number of our bulletin, we were only able to provide very summary data, although more recent, we think it well to give fuller information as to the principal forms of agricultural co-operation, according to the detailed and hitherto unknown results of the new statistics.

## § 2. Co-operative Credit Societies.

### 1) LOCAL RAIFFEISEN BANKS.

At the end of 1907, the Raiffeisen Banks were 5,880 in number with 752,666 members, with an average, then, of 123 members for each bank.

But this number of members is much smaller (15, 30, 70) in the case of banks serving for a single commune or a single parish, and much greater (200, 300) when two, three or more communes or parishes have a bank in common. This last case occurs most frequently in Salzburg and in Styria (German part).

The banks with the lowest number of members (8, 12, 13, 29) are the Slovenian Banks of Styria, found side by side with banks that have very many members; the majority of the Slovenian banks of Carniola have a very large number of members. The German Banks of Lower Austria, Moravia, Silesia, and Bohemia as well as the Tyrolese Banks, both in the German and Italian part (60-150 members) present a greater uniformity in this respect.

The total amount paid up on shares is 9,096,743 crowns, that is to say, 1,547 crowns per bank and 125 crowns per member; the reserve fund amounting to 10,391,992 crowns, each bank has at its disposal, on an average, 1,862 crowns. These two amounts make up the capital that the Raiffeisen banks possess as their own (19,448,735 crowns) which is very small, in comparison with the working capital (597,963,874 crowns) made up by savings deposits and deposits in current accounts (556,319,345 crowns or 94,612 crowns, per bank) and sums borrowed (41,644,529 crowns, that is to say 7,082 crowns per bank). As to the amounts borrowed there are great differences between the banks of different provinces, or, to speak more correctly, between those affiliated to different Federations.

To quote a few examples, the 531 banks, affiliated to the Central Bank of Lower Austria, at the end of 1907, had only borrowed 782,807 crowns, that is to say, 1,474 crowns per bank, whilst the 228 banks affiliated to the Central Bank of Upper Austria had received loans to the amount of 1,283,789 crowns, or 5,631 crowns per bank: the loans received by the 262 banks affiliated to the Styrian Federation of Agricultural Co-operative Societies amounted to 2,073,927, that is to say, 7,916 crowns per bank.

There are great differences in the case of the Slovenian Banks, as to the amounts borrowed. The Slovenian Banks of Styria, Carinthia and Carniola affiliated to the Cilli Federation *Zadrúzna Zveza* had not borrowed at all at the end of 1907, whilst the loans received by the 206 Slovenian Banks, belonging to the same provinces, but affiliated to the Laibach Federation amounted to 4,636,254 crowns, with an average of 22,506 crowns per bank. The borrowings are especially large, as we shall see hereafter, in the case of the Raiffeisen Banks in Bukowina.

The working capital made up of loans, savings deposits, and deposits in current accounts is much more considerable than the capital possessed by the banks as their own property: in fact, the latter is only 3  $\frac{1}{4}$  % of the borrowed capital and deposits (597,963,874 crowns).

The amount of savings deposits and deposits in current accounts constitutes a very large sum with an average of 94,612 crowns per bank and 767 crowns per member, which shows the enormous influence of the Raiffeisen Banks, in inciting the rural population to economy (1).

The total amount of loans granted by the banks at the end of the year was 428,242,262, that is to say, 72,830 crowns per bank, and 590 crowns per member. But the amount which especially calls for attention is that of the loans granted during the year (179,720,432 crowns), in comparison with the amount of loans repaid (77,930,066 crowns), the former exceeding the latter by 101,790,366 crowns. The total business done (outgoings and incomings) was 1,019,405,129 crowns; the working capital, 617,312,609

(1) See the Monograph, already cited, 1st Bulletin, p. 125.

crowns, correspond to  $60\frac{1}{2}\%$  of this sum. In comparison with such an amount, the working expenses, which appear as 2,128,137 crowns, or 381 crowns per bank, are very small, as is also the total loss of 69,642 crowns compared with the total gain, 1,842,092 crowns. The average loss per bank is 12.48 crowns, and the average gain 313.28 crowns.

This is better than the case of the Raiffeisen Banks in Germany, for which the working expenses at the same date amounted to 498.34 Marks per bank.

The rate of interest is, in most cases, from  $3\frac{1}{2}$  to  $3\frac{3}{4}\%$  for deposits for loans from 4 to  $4\frac{1}{4}\%$ . But there are great differences with regard to this in the different provinces, or rather in banks of different nationality. Generally the German and Italian Banks demand a lower rate of interest ( $3\frac{1}{2}$ ,  $3\frac{3}{4}$ , 4 for deposits and 4,  $4\frac{1}{4}$ ,  $4\frac{1}{2}$  for loans); that of the Bohemian banks is higher (4 and 5 % respectively).

In the Slovenian banks the rate for deposits is at least  $4\frac{1}{2}\%$ , and often 5 %, and for loans 5 and 6, respectively. The banks with the highest rate of interest are the Servian banks of the Littoral ( $5\frac{1}{2}$  for deposits and 6-7 for loans), the Roumanian banks of Bukowina ( $6\frac{1}{2}$ -7 for deposits and 7, often  $8\frac{1}{2}$  and sometimes 9 % for loans). In Galicia it is  $4\frac{1}{2}$ -5 % and  $5\frac{1}{2}$ -6 % respectively.

The distribution of the Raiffeisen Banks in 1907 in relation to the population in the different provinces is seen in the following table.

Province	Inhabitants
Lower-Austria . . . . .	2,849
Upper-Austria . . . . .	3,405
Salzburg . . . . .	4,380
Styria . . . . .	4,352
Carinthia . . . . .	2,324
Carniola . . . . .	3,480
Tyrol . . . . .	1,992
Vorarlberg . . . . .	1,746
Littoral . . . . .	5,442
Dalmatia . . . . .	6,250
Bohemia . . . . .	3,635
Moravia . . . . .	3,537
Silesia . . . . .	3,510
Bukowina . . . . .	2,206
Galicia . . . . .	10,151

It follows that the provinces where the Raiffeisen Banks were the most numerous were the Tyrol, Vorarlberg, Bukowina, and Lower Austria; those where they were fewest in proportion were Galicia, Dalmatia and the Littoral.

**Loan and Savings Banks (Raiffeisen System) according to their Affiliation in Federations Affiliated to a Federation belonging to the General Federation of Austrian Agricultural Co-operative Societies**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	Nr. of affiliated banks	Nr. of members	Amount of contributions received at end of 1967 in million of Sch.	Amount of loans and credits in current account at end of 1967 in million of Sch.	Amount of Savings Deposits in Deposits in current account at end of 1967 in million of Sch.	Amount of Loans and credits granted in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.	Amount of Loans and credits in the year in million of Sch.
1. Central Co-operative Bank of Lower Austria Ltd.	54	50,641	80,984.01	782,807.00	1,177.15	1,177.15	9,574,202.90	20,072,040.10	14,144,784.81	227,504.41	410,810.10	2,035.18	127,169.65	80,005,124.00	1,377,659.65	1,377,659.65	1,377,659.65	1,377,659.65
2. Central Co-operative Bank of Upper Austria Ltd.	28	24,097	551,150.00	1,285,750.00	10,413.115.00	10,413.115.00	5,572,043.10	10,24,011.08	5,750,715.78	180,785.38	70,211.44	820.3	44,454.75	55,241,070.00	88,181.00	88,181.00	88,181.00	88,181.00
3. Central Co-operative Bank of Salzburg Ltd.	1	4,551	91,750.00	200,711.00	7,007.50	7,007.50	1,771,117.5	1,088,895.75	2,002,711.50	25,485.11	102.22	2,037.55	124,886.78	10,544,018.80	124,886.78	124,886.78	124,886.78	124,886.78
4. Federation of the Styrian Agricultural Co-operative Societies Ltd.	1	5,551	501,811.80	2,073,027.20	1,004,151.70	1,004,151.70	4,041,008.1	1,024,011.08	5,750,715.78	180,785.38	70,211.44	820.3	44,454.75	8,127,223.8	444,754.75	444,754.75	444,754.75	444,754.75
5. Federation of the Co-operative Societies / Salzburger Land Ltd.	80	110,681	550,230.70	51,850.10	15,000.71.81	15,000.71.81	5,011,591.1	6,405,553.30	4,518,123.54	71,517.15	81,000.54		40,007.87	5,854,041.37	40,007.87	40,007.87	40,007.87	40,007.87
6. Federal Federation of the Carinthian Agricultural Co-operative Societies Ltd.	1	5,100	175,305.30	14,150.00	1,842,553.75	1,842,553.75	1,081,377.1	1,005,085.43	715,004.34	55,000.80	41,504.5	1.15	2,030.70	10,404,844.10	2,030.70	2,030.70	2,030.70	2,030.70
7. Federation of the Co-operative Societies / Steiermark Ltd.	20	48,451	117,231.04	4,710,454.07	2,085,508.1	2,085,508.1	5,150,155.30	10,074,357.10	1,545,010.18	130,022.13	181.2	1,570.55	75,513.02	10,424,204.14	75,513.02	75,513.02	75,513.02	75,513.02
8. Federation of the Co-operative Societies / Vorarlberg Ltd.	17	5,007	7,814.00	111,000.00	1,470,611.01	1,470,611.01	3,103.90	3,000,500.14	4,008,280.00	7,248.80	12,774.80	108.05	17,051.34	2,001,401.10	17,051.34	17,051.34	17,051.34	17,051.34
9. Federation of the Co-operative Societies / Tirol Ltd.	4	2,755	10,080.50	244,272.52	110,155.54	110,155.54	1,108.07	750,004.37	5,049,940.80	4,010.10	5,005.30	137.04	17,415.43	2,704,770.00	17,415.43	17,415.43	17,415.43	17,415.43
10. Federation of the Co-operative Societies / Carinthia Ltd.	1	6,110	22,487.00	400,084.10	2,325,440.57	2,325,440.57	8,202.10	2,072,701.84	1,104,000.00	15,322.75	17,175.42	122.55	40,050.07	5,555,115.31	40,050.07	40,050.07	40,050.07	40,050.07
11. Federation of the Co-operative Societies / Carinthia Ltd.	40	7,238	80,660.39	1,707,115.80	3,485,411.85	3,485,411.85	1,115,805.08	5,552,750.20	4,007,338.35	2,000.28	11,801.58	722.00	12,034.30	22,205,586.40	12,034.30	12,034.30	12,034.30	12,034.30
12. Central Bank for the Carinthian Tyrol / Raiffeisen banks Ltd.	263	73,995	370,040.00	799,467.61	5,109,503.17	5,109,503.17	5,109,503.17	10,074,357.10	14,144,784.81	20,190.91	130,815.00	4,233.51	80,348.07	8,190,441.53	80,348.07	80,348.07	80,348.07	80,348.07



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[illegible]







## 2) CENTRAL BANKS.

At the end of 1907 the Central Banks or Provincial Federations working as Central Banks were 27 in number with 8,526 members, of which 5,830 were Raiffeisen Banks and 2,696 other agricultural associations and co-operative societies.

The statistics we are examining do not give as detailed information for the Central Banks as for the Raiffeisen Banks.

The amount of contributions paid up was 1,280,056 with an average of 47,410 crowns per Bank and 150.2 crowns per member: the amount of deposits was 175,361,031 crowns - 6,494,853 crowns per Bank -; that of the credits 80,517,833 crs. - 2,982,141 crs. per Bank.

The deposits then exceed the credits by 95,843,198 crowns. The total Business done (outgoings and incomings) was 1,021,506,315 crowns, each Bank, on an average, having for its share 37,833,507 crs.

On examining the data for each Central Bank, we find that in the Eastern Provinces (Bukowina and Galicia) the credits far exceed the deposits. In fact, at the end of 1907, 3 Federations of Bukowina had deposits amounting to 1,205,682 crowns against credit amounts of 1,854,525 crowns. The Ruthenian Provincial Credit Federation at Lemberg had, similarly, 1,498,780 crowns deposits against 1,764,031 crowns credits. On the other hand, the total amount of deposits in the Central Banks shows, as we have seen, a very considerable excess over the credits. This shows that if there were any central clearing house, the finances of the agricultural co-operative societies, as a whole, would suffice for the necessities of agricultural credit, without any co-operative institution having to seek outside assistance in money.

The Central Banks, the deposits of which are largely in excess, are chiefly: the Central Bank of Lower Austria (32,710,161 crowns deposits, 9,390,055 crowns credits), the Central Bank of Salzburg (11,296,062 crowns deposits and 1,280,538 crowns credits), the Central Federation of German Bohemian Agricultural Co-operative Societies (10,912,259 crowns deposits, 8,067,390 crowns credits), the Federation of Czech Bohemian Agricultural Co-operative Societies (17,558,968 crowns deposits, 3,813,640 crowns credits), the Federation of the German Agricultural Co-operative Societies of Moravia and Silesia (10,783,331 crowns deposits, 3,813,640 crowns credits), and the Federation of the Raiffeisen Banks and Agricultural Co-operative Societies for the Italian Part of the Province of the Tyrol (18,595,332 crowns deposits, 7,754,976 crowns credits).

The Central Banks deficient in capital are the Federations of Bukowina and the Galician one already mentioned.

Central Co-operative Societies - Situation at End of 1907.

1. Affiliated in 1907 to the General Federation of Austrian Agricultural Co-operative Societies.

1	2	3	4	5		6	7	8		9	10
Numerical Order	NAME OF SOCIETY	Headquarters	Year of foundation	No. of members		Amount of contributions on shares	Amount of deposits	Amount of credits	Total Business done (outgoings and incomings) in the course of 1907		
				Raiffeisen Banks	Other co-operative societies and associations						
										CRS.	CRS.
1	Central Co-operative Bank of Lower Austria, Ltd. ....	Vienna	1898	534	169	60,770	32,710,161	9,390,055	134,088,072		
2	Central Co-operative Bank of Upper Austria, Ltd. ....	Linz	1900	228	14	12,190	11,296,062	1,280,538	46,454,055		
3	Central Co-operative Bank of Salzburg, Ltd. ....	Salzburg	1905	43	..	2,050	1,340,087	254,726	8,626,237		
4	Federation of Styrian Agricultural Co-operative Societies, Ltd. ....	Graz	1900	261	59	15,100	7,045,407	2,589,090	33,653,677		
5	Federation of the Co-operative Societies "Zadrzna sveza", Ltd. ....	Cill.	1906	80	120	118,470	1,924,291	1,790,920	15,010,914		
6	Provincial Federation of the Carinthian Agricultural Co-operative Societies, Ltd.	Klagenfurt	1901	91	8	4,400	2,109,323	288,429	6,058,256		
7	Federation of the Co-operative Societies "Zadrzna sveza", Ltd. ....	Laibach	1903	242	191	197,740	9,183,036	9,031,659	52,657,673		
8	Goritz Federation of Agricultural Co-operative Societies and Associations "Goriska Sveza Gospodarskih zadrug in drustev", Ltd. ....	Goritz	1904	21	11	2,880	273,565	157,513	1,774,644		
9	Federation of the Friuli Agricultural Co-operative Societies - Federazione dei consorzi agricoli del Friuli, Ltd. ....	Goritz	1905	27	47	19,033	1,189,884	989,811	2,762,420		
10	Federation of Co-operative Societies of Economic Character of the Province of Istria - Federazione dei consorzi agricoli e industriali della provincia d'Istria, Ltd. ....	Trieste	1905	26	2	2,950	946,707	532,676	4,249,581		
12	Central Bank for the German Tyrol Raiffeisen Banks, Ltd. ....	Innsbruck	1895	262	10	69,600	15,597,638	1,347,952	32,926,006		
13	Federation for the Vorarlberg Raiffeisen Bank and other Agricultural Co-operative Societies ....	Lauterach	1895	72	1	14,800	3,135,353	540,887	19,727,838		
14	Central Federation of the German Bohemian Agric. Co-operative Societies, Ltd.	Kl. Weinberge	1895	582	124	52,800	18,912,259	8,067,390	82,064,300		
15	Central Federation of the Czech Bohemian co-operative societies "Ustredni jednota ceskych hospodarskych spolecenstev v kralovskvi Ceském", Ltd.	Prague	1896	1,143	276	85,920	17,558,968	9,956,705	139,056,452		
16	Central Federation of the Agricultural Co-operative Societies of Moravia and Silesia, Ltd. ....	Brno	1893	261	69	17,200	10,783,331	3,813,640	58,730,427		
17	Federation of the Silesian Agricultural Co-operative Societies, Ltd. ....	Bielsk	1893	108	24	49,230	2,748,298	1,125,345	17,907,280		
18	Federation of the Bohemian Agricultural Co-operative Societies of the Duchy of Silesia "Jednota ceskych hospodarskych spolecenstev ve vidovsk Slezsk.", Ltd.	Troppa	1901	47	27	16,220	499,210	548,101	6,298,602		
19	Federation of the German Agricultural Co-operat. Societies in Bukovina, Ltd.	Czerlowa	1903	65	9	51,370	776,917	1,786,963	7,147,399		
20	Federation of the Ruthenian Agricultural Co-operative Societies in Bukovina "Selanska kasa", Ltd. ....	Czerlowa	1903	137	10	88,430	57,002	2,570,465	35,650,030		
21	Federation of the Roumanian Agricultural Co-operative Societies in Bukovina. "Centrala Insiirtilor economice romane din Bukovina", Ltd. ....	Czerlowitz	1903	143	7	71,601	371,703	2,497,097	25,000,000		
Total ...				4,490	1,188	961,254	134,279,134	59,388,131	751,845,254		

## 2. Not affiliated in 1907 to the General Federation of Austrian Agricultural Co-operative Societies.

1	2	3	4	5	6	7	8	9	10
Numerical Order	NAME OF SOCIETY	Headquarters	Year of foundation	No. of members	No. of members	Amount of contributions on shares	Amount of deposits	Amount of credits	Total Business done (outgoings and incomings) in the course of 1907
				Laufzeisen Banks	Other co-operatives and associations	cts	cts	cts	cts
22	Central Bank of the Carinthian Agricultural Co-operative Societies, Ltd. . . .	Klagenfurt	1900	60	5	3,100	1,534,371	1,422,227	10,136,803
23	Provincial Ruthenian Federation, Ltd. . .	Lemberg	1808	21	549	97,383	1,498,780	1,764,031	10,312,979
24	Central Federation of the Agricultural Co-operative Societies of the Margravate of Moravia - Ustredni svaz ceskych hospodarskych spolencenstev v markrabství Moravskem, Ltd. . . . .	Brünn	1899	4	622	142,450	5,573,174	2,560,274	89,594,404
25	Central Federation of the Bohemian Agricultural Co-operative Credit Societies for Moravia and Silesia - Ustredni jednota ceskych hospodarskych spolencenstev uvernich pro Moravu a Slezsko, Ltd. . . . .	Brünn	1898	423		25,160	10,419,099	4,511,799	58,859,794
26	Capitalist Office of the Provincial Junta of Agricultural Co-operative Societies "Büro Patronatu dla Spolek oszczesosci i pozyczek" . . . . .	Lemberg	1900	679	97		3,461,141	3,116,395	29,156,380
27	Federation of the Rural Banks and Agricultural Co-operative Societies of the Italian Part of the Province of Tyrol - Federazione delle casse rurali e dei sodalizi cooperativi per la parte italiana della provincia . . . . .	Trent	1905	153	235	50,709	18,595,332	7,754,976	71,600,701
				1,340	1,508	318,802	41,081,897	21,129,702	269,661,061
	Total..			5,830	2,696	1,280,056	175,361,031	80,517,833	1,021,506,315

### § 3. *Co-operative Warehouses (Granaries).*

The total number of co-operative warehouses, according to the statistics under examination, at the end of 1907, were 69, distributed as follows: Lower Austria 21, Styria 2, Carinthia 3, Bohemia 31, Moravia 10, Silesia 1, Galicia 1. The total number of members was 32,182, averaging 466 per warehouse.

The capital possessed by them made up of the contributions on shares and the reserve fund, was 1,787,762 crowns, that is to say, 25,909 crowns per warehouse and 56 crowns per member, against 8,861,862 crowns of capital borrowed, or an average of 128,434 crowns per warehouse and 275 crowns per member.

The total amount of the 81,455 contributions paid up on shares is 1,207,277 crowns; the average contribution being then 14.8 crowns.

The capital properly so called was then only 16  $\frac{1}{4}$  % of the working capital of 10,649,724 crowns.

The capital invested in buildings and their furniture represents an amount (shown on the balance sheets) of 5,397,965 crowns, thus divided: 4,106,630 crowns in buildings, 1,291,335 in furnishings. Each warehouse, then, on an average, had 78,231 crowns in buildings and furniture with an average of 168 crowns per member.

The amount of annual payments for extinction of debt for expenses of installation is 197,886 crowns or 2,868 crowns per warehouse.

In the total business done by the co-operative warehouses we may distinguish the goods business from the money business.

The total material sold was 2,405,492 quintals (cereals, fodder, artificial manure, etc.), with an average of 34,862 quintals per warehouse. They were in part supplied by the members (to be exact, 1,162,406 quintals, which gives 36.1 quintals per member), in part bought from non-members, to the amount of 10,430,089 quintals and 1,936 machines.

The total business done in money (outgoings and incomings) was 124,267,054 crowns, with an average of 1,800,972 crowns per warehouse; from this we see that the working capital only represents 8.57 % of this sum.

What is especially observable is the amount of losses (111,799 crs.) compared with the profits (70,473 crowns).

There is then an excess of 51,326 crowns loss, that is to say, an average uncompensated loss of 744 crowns per warehouse. This shows the great practical difficulties presented by this form of co-operation.

## Co-operative Warehouses according to

Numerical Order	NAME OF SOCIETY	Headquarters	No. of Warehouses	No. of members	Amount of one share	No. of shares subscribed	Shares		A share guaranteed for a sum equal to its own value multiplied by	Material supplied by Members			Materials bought of non-members		
										Cereals	Other articles	Cereals	Fodder	Artificial Manure	Ma- chinery
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

## I. Affiliated in 1907 to Federations belonging to the

1	Central Co-operative Bank of Lower Austria, Ltd.	Vienna	21	10,766	..	19,835	463,219.40	..	450,253	16,584	..	221,637	..	..	96
2	Federation of Styrian Agricultural Co-operative Societies, Ltd.	Graz	2	170	..	2,586	24,750.00	..	279	2,613	..	822	687	..	..
3	Federation of Carinthian Agricultural Co-operative Societies, Ltd.	Klagenfurt	2	483	..	1,982	19,178.36	..	12,635	5,897	..	..	..	..	..
4	Central Federation of German Bohemian Agricultural Co-operative Societies, Ltd.	Kl. Weinberge	11	5,182	..	17,555	224,084.00	..	214,035	26,815	16,304	15,931	61,246	4	..
5	Central Federation of Czech Co-operative Societies in Bohemia "Ústřední jednota českých hospodářských společenství v království Českém" Ltd.	Prague	20	10,129	..	32,875	360,123.00	..	246,746	12,579	4,532	14,079	203,907	620	17
6	Central Federation of Agricultural Co-operative Societies of Moravia and Silesia, Ltd.	Brünn	2	786	..	910	18,230.00	..	36,200	600	..	131	2,000	..	..
7	Federation of the Bohemian Agricultural Co-operative Societies of the Duchy of Silesia "Jednota českých hospodářských společenství ve vidovské Slezsku" Ltd.	Troppau	1	632	..	1,525	15,570.00	..	25,475	136	..	7,552	6,850	210	7
	Total		59	28,148	..	74,978	1,125,800.76	..	988,623	59,327	26,793	286,934	274,690	930	27

## II. Affiliated in 1907 to Federations not belonging to the Aus

1	Central Federation of the Agricultural Co-operative Societies of the Margravate of Moravia "Ústřední svaz českých hospodářských společenství v markrabství Moravském" Ltd.	Brünn	8	3,635	..	5,262	63,940.00	..	68,514	3,242	15,350	23,004	67,972	877	7
2	Central Bank of the Carinthian Agricultural Co-operative Societies, Ltd.	Klagenfurt	1	289	..	598	11,966.00	..	3,532	..	..	600	..	..	..
3	Capitalist Office of the Provincial Junta of Agricultural Co-operative Societies "Biuro Patronatu dla Spolek oszczędności i pożyczek" Ltd.	Lemberg	1	110	..	587	5,568.00	..	5,276	33,842	..	..	..	129	..
	Total		10	4,034	..	6,477	81,477.00	..	77,322	37,134	15,350	23,604	67,972	1,006	7

## III. Co-operative Warehouses classi

1	Lower-Austria	..	21	10,766	..	19,835	463,219.40	..	450,253	16,584	..	221,637	..	..	96
2	Syria	..	2	170	..	2,586	24,750.00	..	279	2,613	..	822	687	..	..
3	Carinthia	..	3	772	..	2,586	31,778.36	..	10,167	..	..	..	..	..	..
4	Bohemia	..	31	15,311	..	50,430	584,207.00	..	454,781	39,394	20,866	50,910	265,153	687	..
5	Moravia	..	12	4,832	..	1,525	18,230.00	..	104,714	3,862	15,350	23,017	66,972	877	..
6	Silesia	..	1	632	..	1,525	15,570.00	..	25,475	136	..	7,552	6,350	210	..
7	Galicia	..	1	110	..	587	5,568.00	..	5,276	33,842	..	..	..	129	..
	Total		69	32,182	..	81,455	1,207,277.76	..	1,065,945	96,461	42,143	304,538	348,662	1,936	3

### their Affiliation to Federations.

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*erian Federation of Co-operative Agricultural Societies.*

201,283	14,578,708 00	480,821 09	682,854 45	126,399 22	8,083 34	171 06	62,860 10	288,268, 64	44,570 92	10,745 02	124,200 34
4,132	245,812 06	20,268 08		2,176 42				37,700 00	5,276 92		
9,118	573,733 89	34,983 32	59,834 37	9,746 70		102 71	34,778 50	19,718 10	15,060 40	3,864 26	
304,533	15,398,954 55	536,072 49	742,688 82	138,322 34	8,083 34	371 66	97,628 65	345,686 74	64,914 24	20,609 28	129,200 32

*fied according to Provinces*

607,474	3,706,492	89	115,123	21	333,494	18	15,462	47	2,761,860	80	1,704,030	14	513,802	09	94,921	36	71,342	03
2,832	79,545	49	46,300	23	2,099	29	1,582	09	218	95	70,911	44	66,913	11	9,470	55	1,473	51
24,383	974,759	04	40,268	08	11,055	49	1,337	38	100,799	38	43,855	08	73,313	27	13,518	73	3,860	00
1,150	1,222,231	77	1,684,864	21	903,997	41	23,968	87	110,937	58	2,745,020	84	1,903,443	10	600,916	91	74,094	97
1,875	1,767,417	89	1,881,885	45	1,185	45	8,882	91	440	56	1,533,152	09	1,533,152	09	16,623	60	34,753	84
18,168	5,907,977	15	163,990	89	27,589	05	8,882	91	440	56	28,240	13	16,623	60	34,753	84	16,531	84
8,375	39,118	89	59,834	37	9,746	70	9,746	70	102	71	34,778	50	19,718	10	15,060	40	38,64	26
746	2,405,492	74	2,805,072	73	933,154	68	60,473	06	111,799	85	581,337	03	4,100,530	63	1,399,133	08	197,886	04
746	2,405,492	74	2,805,072	73	933,154	68	60,473	06	111,799	85	581,337	03	4,100,530	63	1,399,133	08	197,886	04
746	2,405,492	74	2,805,072	73	933,154	68	60,473	06	111,799	85	581,337	03	4,100,530	63	1,399,133	08	197,886	04





#### § 4. *Co-operative Dairies.*

The co-operative dairies – not to be confounded with the collective dairies (1) – at the end of 1907, numbered 651 with 55,768 members (85 per dairy). The provinces in which the co-operative dairies are most numerous are Lower Austria (120) and Moravia (126). In the Alpine lands, notwithstanding that the dairy industry is highly developed there, co-operative dairies are few (Upper Austria 8, Styria 8, Tyrol 12, Vorarlberg 1), but, on the contrary, there are a large number of collective dairies.

The number of members varies: in Lower Austria, in Styria (German Part), Carinthia, and German Tyrol, it seldom exceeds 100; in Upper Austria, Carniola, Bohemia, Moravia, Galicia, the members are more numerous.

The total number of shares paid up is 166,393 with an average of 255 per dairy and 3 per member. The value of a share is 10 crowns for the dairies affiliated to the Central Bank of Lower Austria; it is generally 50 crowns for those affiliated to the Central Co-operative Bank of Upper Austria and it varies from 2 to 10 crowns for those affiliated to the Federation “Zadrugra sveza” of Laibach. Lastly, in Galicia, it is in many cases 20 crs, but often also from 30 to 60 crowns.

The shares of highest value are to be found among the dairies of Lower Austria not affiliated to the Central Bank (100-500 crs).

The value of a share in the Central Viennese dairy is 2,000 crs.

The quantity of milk supplied was 220,752,252 litres, with an average of 339,056 litres per dairy and 3,958 litres per member.

We must further remark in reference to this average that the Central Viennese Dairy alone uses 21,188,909 litres.

The manufactured products are, butter for an amount of 5,119,561 kgs, and cheese for an amount of 4,465,480 kgs; it follows that the average for each dairy is 7,864 kgs of butter and 6,859 of cheese, that is to say, respectively 92 kgs of butter and 80 kgs of cheese per member.

It is interesting to note the distribution of the real and personal property (buildings and equipment). The total value of the buildings with equipment was, at the end of 1907, 12,890,824 crowns or 9,239,585 crowns buildings and 3,651,239 equipment. The total value gives an average of 19,801 crowns per dairy and 231.15 crowns per member.

Comparing the amounts mentioned and the milk treated, we get 17.12 litres for each crown of the capital.

It would be a great advantage to have data relative to the net profit and the losses, but they have not been given.

(1) See Bulletin, n. 1, page 130

## Co-operative Dairies in 1907.

62

AUSTRIA - CO-OPERATION AND ASSOCIATION

NEW STATISTICS OF AGRICULTURAL CO-OPERATION

Numerical Order	NAME OF DAIRY	3	4	5	6	7			8		9		10		11		
						Headquarters	No. of Dairies	No. of Members	Number of Shares	Quantity in 1907			Registered Value		Buildings crown	Equipment crown	
										of milk supplied litres	of Produce manufactured						
											Butter kilos	Cheese kilos					
																crown	crown

1 Affiliated to a Federation Belonging in 1907 to the Federation of the Austrian Agricultural Co-operative Societies.

1	Central Co-operative Bank of Lower Austria, Ltd	Vienna	125	7 800	76,823	40,525 135	171,486					1,621,544	492 399
2	Central Co-operative Bank of Upper Austria, Ltd	Linz	12	1 474	1 474	8 800 261	687 061					190,582	106,889
3	Federation of the Styrian Agricultural Co-operative Societies, Ltd	Graz	8	378	2 169	5 371 053	27,492	76 025				398,494	75,421
4	Federation of Co-operative Societies "Zadrzna sveza", Ltd	Gilli	19	2 821	1 412	5 304,675	62,075	15,225				125,843	75 838
5	Provincial Federation of the Carinthian Agricultural Co-operative Societies, Ltd	Klagenfurt	1	116	300	970,510	2 312	880				38,084	22,739
6	Federation of Co-operative Societies "Zadrzna sveza", Ltd	Laibach	33	4,186	5 119	0,573 102	136,258	18 022				165,177	148,564
7	Goritz Federation of Agricultural Co-operative Societies and Associations "Goriska sveza Gospodarskih zdruzenj in drustev", Ltd	Goritz	3	291	320	361 534	12,607	8 605				38,006	9,244
8	Federation of the Friuli Agricultural Co-op. Societies - Federazione dei consorzi agricoli del Friuli, Ltd	Goritz	1	215		272 760	77					21,200	1 475
9	Central Bank for the German Tyrol Raiffeisen Banks, Ltd	Innsbruck	7	732	1 600	2 190 432	5 438	22 931				78 000	20,677
10	Federation of the Vorarlberg Raiffeisen Banks and other Agricultural Co-operative Societies, Ltd	Lauterach	1	173	680	2 207 563	28 921	34 659				65,641	37 893
11	Central Federation of the German Bohemian Agricultural Co-operative Societies, Ltd	Kl. Weinberge	15	4 681	11 816	21 600 204	814 475	318 474				662 341	307,253
12	Central Federation of the Czech Bohemian Co-operative Societies "Ustredni jednota ceskych hospodarskych spolecenstev v království Ceskem", Ltd	Prague	40	2 807	10 198	8 153 794	236,400	340 174				406 991	453 139
13	Central Federation of the Agricultural Co-operative Societies of Moravia and Silesia, Ltd	Brunn	22	2 580	6 043	14 793 313	437 811	260 017				373,673	235 900
14	Federation of the Silesian Agricultural Co-operative Societies Ltd	Bielitz	12	501	2 000	2 551 038	61 000	11 308				57,461	30 104
15	Federation of the Bohemian Agricultural Co-operative Societies of the Duchy of Silesia "Jednota ceskych hospodarskych spolecenstev ve vidovské Slezskem", Ltd	Troppau	1	114	284	500 183	16 946	1 758				4 500	0 134
16	Federation of the German Agricultural Co-operative Societies in Bukovina Ltd	Cernowitz	2	04	2 5	300 047	14 670	22 208				20 013	3 440
Total			300	0 037	123 304	120 800 254	2 765 074	1 162 400				4,358 452	2 027,250

\*) From this amount deduction should be made of 17,094 171 litres supplied to the Lower Austria Dairies by other co-operative dairies which through the evenging of the statistical calculations have been reckoned to the

\*\*) From this amount deduction should be made of 67 27 Kg. of butter supplied to the Central Co-operative Societies for Sale of Tale Butter for the same reason as above

63

1	Lower Austria	280	12,759	91,860	87,839,350	403,024	81,077	4,364,998	1,001,651	106,889	75,421	24,599	233,360	41,227	41,677	37,893	784,044	1,194,627	1,191,164	61,961	131,529	70,083	3,440	3,651,239
2	Upper Austria	16	1,914	1,898	11,262,857	782,358	76,025	398,494	106,889	75,421	24,599	233,360	41,227	41,677	37,893	784,044	1,194,627	1,191,164	61,961	131,529	70,083	3,440	3,651,239	
3	Syria	8	378	2,169	5,371,955	27,495	38,084	398,494	106,889	75,421	24,599	233,360	41,227	41,677	37,893	784,044	1,194,627	1,191,164	61,961	131,529	70,083	3,440	3,651,239	
4	Carthibia	5	246	448	1,146,647	8,968	10,578	38,084	45,555	14,352	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..
5	Carniola	5	104	66	1,322,340	40,817	52,665	45,000	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..	..
6	Littoral	17	773	2,037	1,302,196	15,703	78,216	45,555	14,352	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..
7	Tyrol	5	104	66	1,322,340	40,817	52,665	45,000	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..	..
8	Vorarlberg	14	1,004	1,898	1,450,507	280,569	3,262	39,839	45,000	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..
9	Bohemia	14	1,004	1,898	1,450,507	280,569	3,262	39,839	45,000	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..
10	Moravia	7	994	1,150	5,042,210	107,923	372,732	107,941	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..	..	..	..
11	Silesia	15	675	2,284	3,111,821	108,885	35,256	61,961	131,529	70,083	3,440	3,651,239	..	..	..	..	..	..	..	..	..	..	..	..
12	Galicia	20	4,157	134	5,299,299	182,559	14,670	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
13	Bukowina	2	99	235	390,047	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total		651	55,708	166,393	241,924,101	5,486,839	4,465,480	9,239,585	3,651,239	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

The Co-operative Dairies classified according to Provinces. (Figures Summarised).

5	Littoral	17	773	2,037	1,302,196	15,703	78,216	45,555	14,352	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..	..
6	Tyrol	5	104	66	1,322,340	40,817	52,665	45,000	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..	..	
7	Bohemia	14	1,004	1,898	1,450,507	280,569	3,262	39,839	45,000	21,000	23,652	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..	
8	Moravia	7	994	1,150	5,042,210	107,923	372,732	107,941	42,994	3,986	11,299	382	703,572	3,151,355	642,210	..	..	..	..	..	..	..	..	..	
9	Galicia	5	295	..	302,212	10,969	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Total																									
225																									
10,130																									
22,630																									
74,091,374																									
086,086																									
703,572																									
3,151,355																									
642,210																									

### 3. Not affiliated to any Federation.

1	Central Federation of the Agricultural Co-operative Societies of the Margraviate of Moravia - (Lehenský spolek hospodářských výrobních družstev)	97	11,730	20,265	41,981,446	1,561,589	2,699,502	1,639,550	915,673	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
2	Capitalist Office of the Provincial Joint of the Agricultural Co-operative Societies' Bureau Patronat d'Etat	18	3,728	..	4,944,637	169,638	..	120,230	63,126	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3	Ruthenian Provincial Inspection Federation "Towarzystwo Krajowe Socjus rewizyjny"	2	134	134	52,450	1,952	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
4	..	117	15,601	20,399	46,978,533	1,733,179	2,699,502	1,759,780	981,770	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

### 2. Affiliated to a Federation not belonging in 1907 to the Austrian Federation of Agricultural Co-operative Societies.

Numerical Order	Name of Dairy	Headquarters	No. of Dairies	Members of	Number of Shares	Value of milk supplied	Butter	Cheese	Buildings	Equipment	Registered Value
1	..	..	..	..	..	..	..	..	..	..	..
2	..	..	..	..	..	..	..	..	..	..	..
3	..	..	..	..	..	..	..	..	..	..	..
4	..	..	..	..	..	..	..	..	..	..	..
5	..	..	..	..	..	..	..	..	..	..	..
6	..	..	..	..	..	..	..	..	..	..	..
7	..	..	..	..	..	..	..	..	..	..	..
8	..	..	..	..	..	..	..	..	..	..	..
9	..	..	..	..	..	..	..	..	..	..	..
10	..	..	..	..	..	..	..	..	..	..	..
11	..	..	..	..	..	..	..	..	..	..	..

### § 5. *Other Co-operative Societies.*

As to the other forms of Co-operation not included under the preceding heads, there remains very little to be said about them, for, in 1907, they were very little developed. In fact, altogether, they only amounted to 1,743, amongst which we must note 410 co-operative distributive societies (225 in the Italian part of the Tyrol, 42 in Moravia, 11 in Galicia) differing in character from the other co-operative societies, with regard to their economic function.

Other kinds of co-operative societies existing in 1907 in fairly large numbers were 469 co-operative credit societies not of Raiffeisen type (Vorschuss kassen), 279 cattle-breeding co-operative societies, 112 co-operative societies for the collective use of machines, 92 co-operative societies for sale and purchase, 51 co-operative wine societies, 34 co-operative societies for the cultivation of flax, 21 co-operative cattle insurance societies, 23 co-operative societies for drying chicory, 13 co-operative corn mill societies, 12 co-operative societies for obtaining peat moss.

## 2. Agricultural Co-operation and the Austro-Hungarian Bank.

### Source :

(Oesterreichische landwirtschaftliche Genossenschaftspress (Austrian Agricultural Co-operative Press) Nos 177-179 1911.

We have already referred to the relations between the Austro-Hungarian Bank and Agricultural Co-operation. (1)

The Board of Management of the General Federation of the Austrian Agricultural Co-operative Societies, in its turn, dealt with the matter in a meeting held on the 10th January last. It decided to petition the Agrarian Deputies and the Government to intervene when the Bill dealing with the said Bank comes up for discussion, in order that agriculture and especially the agricultural co-operative societies may be able to apply to the privileged Bank for credits in the same way as Commerce and Manufacturing Industry already have the right to do.

In the sitting of the Chamber of Deputies on the 17th January last, Herr Bauchinger and others presented some very important proposals in connection with this, and we shall here give them textually :

" Agricultural Co-operation in Austria has developed considerably. In Austria there are 9,000 agricultural co-operative societies in round members, 7,000 of them co-operative credit societies. In the majority of the agricultural federations there is a considerable excess of deposits over the loans requested, but there are also, in certain provinces, Federations that have not at their disposal the capital they need to satisfy the requirements of their affiliated co-operative societies in respect to credit. Precisely in those provinces, the possibility of cheap credit, such as is possible in the majority of the provinces, would be doubly beneficial.

But in these cases, the Federations are generally compelled to have recourse for credit to banks and institutions of a speculative character, a credit which is too dear for agriculture. Their rate of interest generally exceeds that of the State Bank by from 1 to 1 ½ % and even more.

Credit from the Austro-Hungarian Bank has up to now been denied to the co-operative societies. Article 60 of the regulations of the Bank, indeed, authorizes it to discount bills of exchange which must be endorsed with three, or in any case at least two, signatures of persons of known solvency.

(1) See Bulletin, n. III, page 39.

Yet {he bank refuses to discount our bills provided with the signatures of a Federation and an affiliated co-operative society, or with the signatures of a co-operative society and one of its members.

The Bank is not, to say the truth, obliged to indicate the reason for refusing to discount, but it is well known. In fact, the Austro-Hungarian Bank proceeds on the idea that the signatures of a Federation and an affiliated co-operative society ought to be considered as a single signature. But in acting in this way the Bank is inconsistent from two points of view.

We know, in fact, that the Bank is hostile to the agricultural co-operative societies and well disposed to the manufacturing co-operative societies.

It discounts bills signed by a manufacturer and a manufacturing co-operative society; it is evident that in this case the situation is the same as that which it declares irregular in the case of agricultural societies. Further, this position is really less for the welfare of the State Bank.

We do not wish to say that the signature of a manufacturer and that of a manufacturing co-operative credit society are not a sufficient guarantee for such bills. But it can not be denied that the financial basis of the agricultural co-operative societies and their members is more substantial than that of the manufacturing societies.

For the credit granted the farmer by his co-operative credit society is nothing else than a loan on mortgage, only not formally registered, a credit granted him in his position as land owner.

We must add that by far the most, certainly 90,% of the agricultural co-operative credit societies are formed after the Raiffeisen system, that is to say, they are based upon the unlimited liability of the members, whilst the manufacturing co-operative societies are, in the same proportion, based upon the limited liability of their members. What we have just spoken of is the first inconsistency.

Now, the Austro-Hungarian Bank discounts, as is well known, bills of exchange signed by the National Central Co-operative Credit Society (Landes-Zentralkreditgenossenschaft) and that of an affiliated co-operative society. It is true that the Central Co-operative Credit Society was created by a special law, but it is only a limited liability society (each affiliated co-operative society must subscribe at least one share of 200 crowns value, but the subscriber is liable for five times the amount subscribed) to which the State has granted a subvention to form its initial capital. This is the second inconsistency.

The Federations of the Austrian co-operative societies have a right to claim from the Austro-Hungarian Bank the same treatment and the same confidence as the Hungarian co-operative societies. Considering the facts we have now set forth, the undersigned Deputies present the following proposal:

The Government is invited to intervene so that the credit of the Austro-Hungarian Bank may be at the disposal of agriculture, and especially of the agricultural co-operative societies, in the same way as at that of commerce and manufacturing industry; and especially to amend article 60 of the regulations of the Austro-Hungarian Bank so that the Austrian Agricultural Co-operative Societies and their Federations may have their bills of exchange discounted by the Bank as has already been arranged for the Hungarian Societies and Federations. "

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This question was also raised when the programme of the new Bienert ministry was under discussion, in the Chamber of Deputies, sitting on the 24th of January last; in the course of the discussion a resolution was presented asking the Government to take steps that the cheap credit of the Austro-Hungarian Bank may be also made available for the average manufacturers and merchants; and especially to start intermediary organizations for the practical realisation of the idea.

In the Committee of the Chamber of Deputies on the matter of the Bank, the Deputy Holy, in his turn, asked for measures in favour of the co-operative granaries. These ought, said he, in discounting their *warrants* with the Austro-Hungarian Bank, to have the same advantages as have been conceded to the public granaries.

## RECENT EVENTS.

### Work of the Federations and Central Institutions of the Co-operative Societies and Large Agricultural Associations.

#### A). FEDERATIONS AND CENTRAL INSTITUTIONS OF THE CO-OPERATIVE SOCIETIES.

1. **Three New Federations affiliated to the General Federation.** — Recently three new Federations of Agricultural Co-operative Societies have become affiliated to the General Federation. They are the *Ruthenian Provincial Inspection Federation of Lemberg, Galicia*, the *Federation of the German Galician Agricultural Co-operative Societies of Lemberg*, and the *Federation of German South Tyrol Co-operative Wine Societies, of Bolzen*. The General Federation now has 31 affiliated Agricultural corporations.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschafts-  
presse*, no. 179, 1911).

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2. **Central Cattle-selling Establishment of the General Federation (1).** — The work of the Central Cattle-selling Establishment of the General Federation in 1909 gave results superior to those of the preceding years. The number of head of Cattle sold in 1910 was 22,740 for an amount of 3,960,908 crs. The Cattle were forwarded from the different provinces as shown in the following table.

	Oxen	Bulls	Cows	Calves	Sheep	Pigs	Total Number
Lower-Austria . . . .	1,350	38	433	160	.	291	2,272
Upper Austria . . . .	137	426	166	19	14		762
Styria . . . . .	37	13	9	..	..	..	59
Vorarlberg . . . . .	..	5	1	..	..	..	6
Carinthia . . . . .	6	..	7	..	..	..	13
Bohemia . . . . .	27	1	9	..	..	..	37
Moravia . . . . .	194	5	5	..	..	..	204
Galicia . . . . .	1,529	33	56	..	310	15,665	17,593
Bukowina . . . . .	108	4	5	..	..	1,677	1,794
Total . . . . .	3,388	525	691	179	324	17,633	22,740

(1) See Bulletin no. p. 144.



The figures for the preceding years are as follows: in 1907 (1st working year, from 21st October to 31st December), number of head sold: 618 for an amount of 182,729 crs; in 1908, 15,507 for 2,998,270 crowns; in 1909, 14,595 head for 2,347,043 crs. There is then in 1910 an increase in comparison with 1909, of 8,785 head of cattle sold for 1,613,865 crowns.

In the month of January of the present year the sales amounted to 1,132,455 crs. This is the highest sum yet reached in a month.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschafts-presse*, nos. 178 and 179, 1911)

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### 3. Goritz Federation of Agricultural Co-operative Societies and Associations. —

According to the report of the Goritz Federation of Agricultural Co-operative Societies and Associations (*Goriska zveza gospodarskih zadrug in drustev*), at the end of 1909 this association had 70 affiliated co-operative societies, of which 46 were co-operative credit societies, 7 co-operative dairies and 8 co-operative societies for sale and purchase. The value of the shares was 4,360 crowns, the liability corresponding to 50 times the shares amounted to 218,000 crowns. The amount of deposits in current account was at the same date 1,138,728 crs., that of the credits granted 503,538. The amount of deposits then is more than double that of the credits granted and corresponds to an average of 16,267 crowns per co-operative society. The total business done (outgoings and incomings) was 5,260,637.

The work of the Federation specially tends to encourage the constitution of small property in place of the *métairie*. For this purpose the Federation buys land property and distributes it among the *métayers*. It also labours energetically for the spread of the co-operative idea by means of courses of instruction and lectures.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschafts-presse*, number 178, 1911)

### 4. Central Bank of the Carinthian Agricultural Co-operative Societies. —

The Situation of the Central Bank of the Carinthian Agricultural Co-operative Societies, of which our readers know the sad vicissitudes, has lately improved a little. In fact, a guarantee fund is being spoken of to be constituted for the purpose of saving the Raiffeisen Banks that were affiliated to this Central Bank. Already an amount of half a million crowns has been collected, to be distributed to the different banks in proportion to their claims. But very large sums are still required to prevent the Raiffeisen Banks and their members from losing.

• (Summarised from the *Oesterreichische landwirtschaftliche Genossenschafts-presse*, number 176, 1910).

## B) LARGE AGRICULTURAL ASSOCIATIONS.

1. **Inquiry into the Bohemian Co-operative Granaries.** — An Inquiry into the Bohemian Co-operative Granaries was organized by the **German Division of the Bohemian Provincial Agricultural Board**, in order better to regulate the administrative work of the granaries. In the meeting held on the 10<sup>th</sup> of last January all matters connected with the object of the enquiry were thoroughly gone into, and more especially: the co-operative grain trade, the modes of installation and work of the co-operative granaries, the amount of the shares, the relations of the population, both agricultural and non-agricultural, with the granaries, the purchase of grain for their own account, the purchase of agricultural materials, the credit to be granted to members, the recovery of advances by means of bills of exchange, co-operative instruction, the relations between the granaries and the Raiffeisen Banks, the institution of a central establishment for collective sale, the institution of an office for reliable information as to the grain trade throughout the world, the grain trade and the agricultural produce exchanges, supply to the army, the institution of a grain bank and many other matters.

At the close of the meeting a Committee of 5 members was elected, of which also representatives of the Government and of the Provincial Executive form part.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschaftspress*, number 178, 1911).

2. **Action of the Cracow I. R. Society of Agriculture with respect to the Sale of Cattle.** — Co-operative Organization for the Sale of Cattle is making great progress in Galicia, especially through the action of the Cracow I. R. Society of Agriculture.

It is well known that this province produces very large quantities of butcher's beasts for sale on the large markets of Austria. Until lately, the middlemen made large profits in this branch of trade to the great detriment of the producers and consumers.

But the Cracow I. R. Agricultural Society intervened two or three years ago, instituting co-operative cattle selling establishments. The result was that the cattle breeders succeeded in realising higher selling prices, which the middlemen also had to agree to.

Lately, the **Lemberg I. R. Society of Agriculture** (Sélský Hospodar) has also set to work organizing co-operative societies for the sale of cattle with the purpose of supplying the great cities, and, above all, Vienna, directly with pigs and cattle for slaughter.

To give the Ruthenian Farmers of Eastern Galicia and especially those already affiliated to agricultural co-operative societies, such as Raiffeisen Banks, co-operative dairies, etc., practical demonstration of the advantage and practical ends of the form of co-operation in question, the Lemberg I. R. Agricultural Society, together with the Dairy Federation of Stryi, organized a course of instruction on the matter, which was attended by 36 farmers belonging to 22 different districts and which had a very great success.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschaftspress*, number 176, 1910).

## 2. — Miscellaneous information.

### 1. — AGRICULTURAL CO-OPERATIVE SOCIETIES.

**1. Results obtained by a Co-operative Society for Utilisation of Fruit.** — The results that may be obtained from co-operation, even when the conditions under which it develops are not very favourable, are shown by the success that a *co-operative society for utilising fruit* has attained in Moravia. In the district called Kuhländchen, in that province, a great quantity of apples is produced, of a kind not very suitable for consumption.

These not being easy to sell, the idea was started of utilising them for making cider. But first a great difficulty had to be got over: the population was not used to that kind of drink: the first thing to be done then was to surround the new industry with conditions favourable to its existence.

The co-operative society for utilisation of fruit, founded in 1901, by the Kuhländchen pomological Association, acting on the principle that the producers should be at the same time consumers, in 1902, instituted stations for apple-pressing in 4 communes, the establishment of each station costing them 800 crowns.

The members may get their apples pressed at 2 crowns per hectolitre of juice, which they then take away to their cellars and after fermentation use as drink instead of beer or spirits. The average yield of a quintal of apples is from 60 to 70 %, whilst the same quantity of apples sold would hardly bring in 10 crowns, even in the case of good quality apples.

At the end of 1902, this co-operative society had 135 members with 159 shares of 10 crowns each and produced altogether in the above mentioned stations 264 hectolitres of apple juice. Between 1904 and 1910 other four pressing stations were founded, whilst one of the earlier ones ceased working.

The total production from the foundation and up to 1909 was 2,498 hectolitres, with an annual average of 55.5 hectolitres.

Seeing that fruit is being utilised which it would have been almost impossible to sell, the pecuniary result for the members is very considerable, since the quantity produced up to now, calculating the price of cider at from 10 to 30 centimes the litre, amounts to between 25,000 and 75,000 crowns. The cider is of excellent quality.

To derive greater profit from plums, which, in some years, are very abundant, in 1905, the co-operative society constructed a building with an oven, a cellar and a press, the cost of which amounted to 8,033 crowns.

But the dessication of plums did not give very satisfactory results from a pecuniary point of view. Then, in 1908, a Sliowitz distillery was founded in which the members, after they have soaked their plums at home, get them distilled. The liquor obtained is sold by the members themselves.

In 1908, 76 hectolitres of soaked plums were distilled, in 1909, 321 hectolitres. We must remark that distilling on one's own account is not subject to the Government tax of 1.50 crowns per hectolitre of material distilled. Yet the co-operative society exacts the payment from its members that they may not be tempted to employ the sliowitz for their personal uses. The sums thus collected are paid into the reserve fund.

During the past eight years the total quantity of fruit treated in any way was 5,000 quintals.

The interest taken by the farmers in this co-operative society is continually increasing, which is shown by the number of members which in 1909 was more than twice that of 1902 (298 with 334 shares, distributed over 34 communes).

(Summarised from the *Wiener landwirtschaftliche Zeitung*, no. 12, 1911).



**2. Co-operative Society for Sale of Cattle and of Meat.** — A new co-operative society for sale of cattle and of meat (*Viehverwertungs und Schlächtereigenossenschaft*) has been founded at Mahrisch-Ostrau, at the suggestion of the German Division of the Moravian Provincial Agricultural Board. Its object is to sell its members' cattle and meat. 300 farmers attended the meeting for the constitution of this society, on the 27th November, 1910, and they evinced the greatest interest in the undertaking. In fact, after the reading of the report, they unanimously approved the constitution of the society and each of them immediately paid his subscription of 20 crowns.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschafts-presse*, no. 176, 1910).

**3. Central Cattle-selling Establishment at Czernowitz.** — A central cattle selling establishment is being formed at Czernowitz (Bukowina). On the proposal of the Provincial Agricultural Council an Enquiry was instituted. Representatives of the Provincial Junta, of the Federations of co-operative societies and of large proprietors and farmers, as also the manager of the Vienna Central Establishment took part in it. It was proposed to found a limited liability company to organize a uniform action with reference to the sale of cattle, with the co-operation of the Federations of the co-operative societies and of the co-operative cattle sale societies, and to serve as an intermediary for this sale. After a long discussion a committee was elected and instructed to take steps for the foundation of the said society.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschafts-presse*, no. 179, 1911).

## II. — NON-AGRICULTURAL CO-OPERATIVE SOCIETIES.

**Austrian Non-Agricultural Co-operative Societies in 1909.** — We take the following information from the report presented to the Congress of non-agricultural co-operative societies by the President of the General Federation of the Austrian German Non-Agricultural Co-operative Societies, Herr C. Wrahetz. The co-operative societies of which the financial position is known are 406 in number. At the end of 1909, they had 178,000 members, and in the same year they allowed credits amounting to 4,986 million crowns, of which at the end of the financial year nearly 380 millions were still to be collected. Yet an amount of 98.7 millions was still disposable. The capital proper of the societies amounted to 61.2 million crowns, capital borrowed or held in deposit to 422.4 millions. The net profit obtained for the year 1909 was 3,664,000 crowns.

The co-operative distributive societies affiliated to the Federation numbered 187; the financial results of 180 of them, with 121,730 members, are known. The total business done by them (outgoings and incomings) was 49.3 million crs; their profits were 2,600,000 crowns. The working capital was made up of 5.2 millions of the societies' own capital and 6.7 of outside capital.

The co-operative societies for production were 63. The 55 which sent in their returns had 9,573 members, their own capital was 11.8 million crowns, and the capital belonging to outsiders was 8.4 millions. Their

total business had been (outgoings and incomings) 42,000,000 crowns, with a net profit of 1,021,000 crowns.

The other classes of co-operative society (co-operative building societies, ware-houses, dairies ecc.) of which the financial position is known are 51 in number.

They have about 5,000 members; their total business (outgoings and incomings) amounted to 11 millions, the net profit to 1,1 million crowns.

Their personal capital was 15,5 millions and that belonging to outsiders 14 millions of crowns.

(Summarised from the *Oesterreichische landwirtschaftliche Genossenschafts-  
presse*, no. 177, 1911)

# CO-OPERATION AND ASSOCIATION

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## GREAT BRITAIN AND IRELAND.

### I. — CURRENT QUESTIONS

#### Decentralisation in the Agricultural Co-operative Movement.

##### Sources (unofficial):

Annual Reports of the Agricultural Organisation Society, the Scottish Agricultural Organisation Society, and the Irish Agricultural Organisation Society.

The "Irish Homestead", December 10th, 1910, and January 28th, 1911.

"Co-operation in Agriculture", October and December, 1910, and February, 1911.

In the Second Number of the "Bulletin of Economic and Social Intelligence" (page 86) we gave an account of the formation of the North Eastern Counties Agricultural Organisation Committee, the object of which is to assist the Agricultural Organisation Society in the promotion of agricultural co-operation in the North East of England. The establishment of this Committee was one of the first steps in a process of decentralisation which is taking place in the Agricultural Co-operative Movement in England and Wales, and it has been followed by the formation of a North Wales Section of the Agricultural Organisation Society and of a Southern Section, the latter embracing the counties of Hampshire, Dorset and Wiltshire within its scope.

The objects of the North Wales Section of the Agricultural Organisation Society are the same as those of the North Eastern Counties Agricultural Organisation Committee, but being a branch of the Society and not merely a Committee, its constitution is different. It is to consist of (a) members by right of affiliation and subscription and (b) honorary members.

The members of the former class will be -

(1) Co-operative societies affiliated to the Agricultural Organisation Society which have their registered offices in the area covered by the Section, such societies being admitted to membership without any further charge than the fee paid to the Agricultural Organisation Society;

(2) Individual members of the Agricultural Organisation Society who reside in North Wales, or who may be admitted (at their own request) by the Executive Committee of the Section, as having a special interest in any of the counties embraced in the area of the section. Such members will be admitted without any charge other than that incurred in becoming members of the Agricultural Organisation Society;

(3) The Sectional Board of the Co-operative Union (1) operating in North Wales.

The honorary members will be County Councils, agricultural colleges, and railway companies in North Wales, and such other associations or organisations as the Executive Committee of the Section may from time to time approve.

The management of the Section will be in the hands of a President and of an Executive Committee. The Committee will consist of 35 members, appointed as follows

Nominated by the Agricultural Organisation Society. . . . .	3
Nominated by the Sectional Board of the Co-operative Union. . . . .	2
Nominated by the University College of North Wales . . . . .	2
Nominated by the London and North Western Railway Com pany. . . . .	1
Nominated by the Great Western Railway Company. . . . .	1
Nominated by the Cambrian Railways . . . . .	1
Nominated by the "Rebecca" Steamship Company . . . . .	1
Nominated by the County Councils of the six counties in North Wales (one for each county) . . . . .	6
Nominated by the co-operative societies affiliated to the Agri- cultural Organisation Society and having their registered offices in North Wales (two for each county) . . . . .	12
Elected by the members of the Section. . . . .	6
	<hr/> 35

No definite action on questions of co-operative policy will be taken by the Committee of the Section without the approval of the Committee

(1) The Co-operative Union, the society by which the urban co-operative distributive societies are promoted and advised, is completely organised into Sections, each with its Sectional Board of Directors. The Union subscribes annually to the funds of the Agricultural Organisation Society.



of the Agricultural Organisation Society. The appointment of a Secretary and other officers will also be subject to the approval of the Committee of the Agricultural Organisation Society and any organisers working under the direction of the Section will be officers of the Agricultural Organisation Society.

It is hoped that the decentralisation of the work of promoting agricultural co-operation will enable the Agricultural Organisation Society not only to carry on more effective propagandist work, but to keep more closely in touch with its affiliated societies.

There is another important reason for decentralisation in the fact that the Agricultural Organisation Society is still largely dependent upon voluntary subscriptions from persons interested in the betterment of British agriculture. The principal contributors to its work are landowners and there are many landowners who would willingly subscribe for work in the districts in which they are specially interested, but would not subscribe for work of wider scope. In like manner, there are many who will give their services in localised work but will take no part in a national movement.

Yet another reason put forward for decentralisation is connected with the possibility that money may be provided from the Development Fund for the promotion of agricultural co-operation (1). It is argued that sections of the Agricultural Organisation Society will form the best medium through which to administer any such grants of money. This view was expressed in a Memorandum presented by Colonel Pilkington to the meeting at which the North Wales Section was formally constituted.

"It seems desirable," he wrote, "that any financial aid and direction given by the State, or by local representative bodies, to the work of agricultural organisation should be administered through voluntary organisations not trading for profit.

"The voluntary non-trading body, such as the Agricultural Organisation Society or its Sections, is the agriculturists' own organisation. Its organisers are the agriculturists' own employees whom the agriculturists pay voluntarily. The farmer's attitude towards these organisers is, therefore, quite different from what it would be if the organisers were public officials. The farmer only expects his own organiser to help him to do his own business. This fosters the spirit of self-help. The farmer would look to a public official as a medium for getting help (if possible, monetary help) from an outside source. This would encourage the spirit of dependance.

(1) The Agricultural Organisation Society already receives a small grant from the Board of Agriculture under the Small Holdings and Allotments Act in aid of its work in the promotion of co-operation in connection with the cultivation of small holdings and allotments.

"The work of agricultural organisation raises controversial points. A public official would be necessarily much hampered in dealing with such points and their evasion would be fatal to his efficiency.

"While it is most desirable that County Councils and other local representative bodies should be closely associated with the work of agricultural organisation (1), to entrust the administration connected with the work entirely to such bodies, or without the intervention of a voluntary body entirely devoted to agricultural interests, would be open to objection for two reasons:

"(a) The county is not in every respect a convenient area for the purposes of the work. Even the smallest cooperative associations may often operate in two or more counties, and, as organisation extends, federations of associations for particular purposes must often cover several counties, and in some cases the whole country. Administration through county councils alone would, therefore, tend to cramp development into wrong grooves.

"(b) In many counties the agricultural community is only a section, sometimes a comparatively insignificant and generally a rather inarticulate section. Its interests, are, therefore, not safe if dealt with directly by representatives of the whole community, unless dealt with through an intermediary representative of the agricultural interest.

"To meet these circumstances it would seem that the best arrangement would be:

"(1) That the general direction of the work of organisation should, be in the hands of the Agricultural Organisation Society, and should be carried out by its organisers;

"(2) That Local Sections of the Agricultural Organisation Society, covering such areas as may be found most convenient, should locally supervise organisation;

"(3) That County Councils, educational bodies dealing with agriculture, carrying organisations such as railways and ship-owning bodies, etc., should be represented on the Executives of the Sections of the Agricultural Organisation Society."

The devolution of the propagandist work of the Agricultural Organisation Society has been hastened by the promotion of District Trading Federations (2). It is felt that a Trading Federation and a Section of the

(1) County Councils were empowered by the Small Holdings and Allotments Act, 1907, to promote co-operation in connection with the cultivation of small holdings and allotments. It is also possible for County Councils to apply for grants out of the Development Fund for the purpose of promoting agricultural co-operation generally. See Bulletin No. 1, page 254 and Bulletin No. 2, page 97.

(2) See Bulletin No. 1, page 255.

Agricultural Organisation Society operating in the same district would be mutually helpful and that their existence, side by side, would tend to the more rapid development of agricultural co-operation in the district. The counties assigned to the Southern Section of the Agricultural Organisation Society are counties for which a trading federation has already been formed.

In Scotland and Ireland somewhat similar tendencies to devolution have manifested themselves. The Scottish Agricultural Organisation Society has a Highland Branch to deal with the problems of organisation presented by the special conditions of agriculture in the Highlands, and a Committee has also been formed for the Orkney Islands.

Attached to the Irish Agricultural Organisation Society there is an Auxiliary Committee for Ulster, and there have long been District Conference Committees, the functions of which (as the name implies) are to organise conferences of representatives of co-operative societies in different districts. A demand has lately arisen for a more general system of decentralisation, which found expression in the following resolution passed at a District Conference of Co-operative Societies held at Newcastle West (Co. Limerick) on November 25th., 1910: "That we recommend to the careful consideration of the forthcoming annual general meeting of the Irish Agricultural Organisation Society the appointing of local agents throughout the country for the propagation of co-operative principles and the maintenance of closer relations between the local agents and the central organisation, and we think it might be arranged for the secretaries of district conferences to act in this capacity. We further feel the necessity for the re-organisation of the national co-operative machinery on lines that would provide for the setting up of effective county or district and provincial organisations which we believe would result in consolidating the movement and in ensuring a larger measure of support for the central organisation and a more representative central Committee of Management."

Commenting upon this, the *Irish Homestead*, the organ of the Irish Agricultural Organisation Society, said the idea seemed to be an admirable one. The Co-operative Movement in Ireland had now reached the stage at which the local unions should be controlling the central organisation and supplying it with ideas. With effective local organisation of societies the movement would progress much more rapidly, because schemes originating in the country would in the majority of cases be schemes for which the farmers were ripe and the necessity for which had been forced on them by their own observations and the exigencies of their business. The danger of a central union trying to devise schemes was that until farmers were stirred by some necessity of their own they would not move hand or foot to realise the most enticing schemes that might be put before them. What the societies put forward themselves they would be willing to carry out themselves.

The *Irish Homestead* further expressed the view that the Irish Agricultural Organisation Society had not tried enough to get volunteer workers. There were now a great number of farmers, committee men, presidents of societies, managers and secretaries, who would volunteer to do organising work in their neighbourhood, if called upon. The Society could secure an army of enthusiastic and capable propagandists if it took the proper steps and let these men know that their aid would be welcomed. Local unions, on the lines suggested at Newcastle West, could do an immense amount in kindling local enthusiasm and interest in the Co-operative Movement.

The wish expressed by the *Irish Homestead* that the farmers themselves should take a more prominent part in the Agricultural Co-operative Movement is one which has been felt by many persons actively interested in the Movement. In England and Scotland, even more than in Ireland, agricultural co-operation is promoted by philanthropists desirous of improving the condition of the farmers, rather than by the farmers themselves. It is not unlikely that, if the movement were decentralised, it would become, to a greater extent, a spontaneous farmers' movement. The Industrial Co-operative Movement in the United Kingdom is financed, promoted and controlled entirely by working-men, and it is the desire of many advocates of co-operation that the Agricultural Co-operative Movement should eventually be entirely in the hands of the farmers who benefit by it.

## II. -- RECENT NEWS.

### 1. Legislation and State Intervention in the Matter of Agricultural Organisations.

1. **West Riding County Council and Co-operation.** - The first County Council to apply for a grant from the Development Fund (1) for the promotion of agricultural co-operation is the County Council of the West Riding of Yorkshire. In response to the application the *Development Commissioners* resolved: "That with a view to aiding and developing agricultural and rural industries (in the West Riding) by means of organisation and co-operation and otherwise, application be made to the Treasury for a grant from the Development Fund of the sum of £750 to cover the salary of an organiser and assistant, together with travelling and all incidental expenses, for a period of one year, such grant to be renewed\* from time to time if the need should continue."

The Small Holdings and Allotments Committee of the West Riding County Council had previously presented the following report to the Council: "The Committee are satisfied that more economical results could be obtained, more especially in the minor rural industries, by extending the sphere of co-operation, and they are of opinion that the best means of bringing this about would be by the engagement of a competent man, particularly aided by an assistant, with a view to establishing trading and co-operative societies or associations at a number of local centres in the West Riding, and in carrying on other branches of work on lines such as those indicated above. The Committee consider that there is great need for the establishment of a credit bank with local branches in a number of towns and villages, and this is one branch of the work which might very well be organised. They would not propose that a permanent official should be appointed by the County Council, but that arrangements should be made with the Agricultural Organisation Society or otherwise for obtaining the services of an experienced man for so long as may be requisite, who should make himself thoroughly acquainted with the local conditions and existing organisations and report to the Committee."

(Summarised from *Co-operation in Agriculture*, January, 1911).

(1) See Bulletin No. 2, page 97.

**2. Lectures on Co-operation to Small Holders in Cambridgeshire.** — The Cambridgeshire County Council, acting under the powers of promoting co-operation amongst small holders conferred upon County Councils by the Small Holdings and Allotments Act, has arranged with the Agricultural Organisation Society for the delivery by an organiser of that Society of lectures on co-operation to the small holders in Cambridgeshire. Four lectures will be delivered at each of several different centres, under the following titles :

- (1) " Co-operative Markets and Marketing " ;
- (2) " Co-operation in Agriculture " ;
- (3) " Sale of Produce " ;
- (4) " Agricultural Credit Societies " .

(Summarised from *Co-operation in Agriculture*, February, 1911).

## **2. Work of the Federations and Central Institutions of the Co operative societies and the Large Agricultural societies.**

**1. The Central Chamber of Agriculture: Its work in 1910.** — Owing to political conditions the work of the Central Chamber of Agriculture in 1910 showed very little result in the form of new legislation, but there was no lessening of the activity of the Chamber. Special efforts were made to induce members and associated Chambers of agriculture to subscribe to the Royal Agricultural Benevolent Institution (1), only £77 8s. was received and handed over to the Institution, but a number of members and Chambers sent their contributions direct, among them being the Canterbury Farmers' Club, which collected £225. Amongst the subjects discussed by the Chamber or by its various committees during the year were the following :

1. The cost of the maintenance of roads in relation to local taxation;
2. Old age pensions and poor law relief in relation to local taxation;
3. The powers of the London County Council in regard to milk supply;

(1) The Royal Agricultural Benevolent Institution was founded in 1860 to provide pensions for *bonâ fide* farmers, their wives, widows, and unmarried orphan daughters who are not less than 65 years of age (or 50 in certain cases) and whose incomes do not exceed £20 (or £30 joint). The annual receipts of the Institution are about £25,000 and over 1,100 pensioners are maintained.

4. The transit of milk, with special reference to conditions attaching to owner's risk rates;

5. The suppression of swine fever, anthrax and epizootic abortion. (The Chamber urged the Board of Agriculture to carry out a scientific investigation into the nature of swine fever and to put a new Anthrax Order into force. In both cases the desired steps were taken by the Board);

6. Railway amalgamations and working agreements between railway companies;

7. The adulteration of fertilisers and feeding stuffs;

8. The prevention of plant diseases and the destruction of insect pests;

9. The administration of the Poor Law;

10. The promotion of Bills dealing with water supply;

11. The administration of the Development Fund;

12. Compensation to occupiers from whom land had been compulsorily taken under the Small Holdings and Allotments Act.

(Summarised from the *Agricultural Gazette*, January 2nd., 9th., and 16th., 1911).



2. **Establishment of a British Poultry Federation.** — A meeting of delegates from local societies affiliated to the National Poultry Organization Society was held in London on November 15th., 1910. The principal object of the conference was to consider a proposal to establish a trading federation for the sale of eggs and poultry.

The Organising Secretary explained that the first intention of the National Poultry Organisation Society had been to organise the producers in the rural districts, to find out the better-class traders and, by bringing these two classes together, to eliminate the intermediary profits and leave the trader to transact the business with the local societies. That, however, had speedily broken down. Traders had refused to undertake correspondence with a number of depôts, and, under such conditions, there would have been no one to ensure that both depôts and traders should be protected against unfair treatment. Further, in order to compete with traders in English and foreign eggs it had been necessary that retailers should be steadily called upon and their confidence gained, as otherwise more business-like merchants would have secured the trade. The National Poultry Organisation Society had thus been compelled to deal with the question as an integral part of the work it had undertaken and in 1902 this had been accomplished by the appointment of a Marketing Secretary. It had always been felt that such must be a temporary arrangement and in the opinion of the Central Executive Committee the time had now arrived when the question of forming a British Poultry Federation must be faced. During

the past twelve months a considerable number of local societies had come into operation and that made the problem more immediately pressing. The Marketing Section had entailed a large direct expenditure from the funds of the National Poultry Organisation Society and with an increased number of depôts the expenditure would be much larger. As the Society was entirely supported by voluntary subscriptions it would not be able to meet such increase. The Executive Committee had given notice that on and after February 1st., 1911, it could not undertake the responsibility of marketing, but had offered, if the depôts formed a Federation for the purpose, to guarantee the salary of the Managing Director for two years and to give the use of its offices for one year.

After considerable discussion, a resolution was passed approving the proposal to form a British Poultry Federation, registered under the Industrial and Provident Societies Act, 1893, for the purpose of marketing and a preliminary committee was appointed to submit a scheme to the local societies.

(Summarised from the *Journal of the National Poultry Organisation Society*, January, 1911).

**3. The Smithfield Club Show.** The 112th. Fat Stock Show of the Smithfield Club was held in London, December 5th. to 10th., 1910. Prizes amounting to £4,300 were offered, apportioned as follows: Cattle, £2,013; sheep, £1,223; pigs, £521; carcase competition, £292; feeders of first prize animals, £131; table poultry, £127. A record entry was received, viz, 289 head of cattle, 170 pens of sheep, 117 pens of two pigs, 36 single pigs; for the carcase competition, 37 cattle, 76 sheep, and 35 pigs, and in the table poultry section 265 entries; the total number in the three sections being 1,025, as compared with 918 entries in the previous year.

(Summarised from the *Agricultural Gazette*, December 5th., 1910).

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**4. The Dairy Shorthorn Association.** — At a council meeting of this association, the object of which is to maintain the position of the Shorthorn as a dairy cow and which publishes a herd-book known as Coates's Herd Book, it was decided to alter the existing rule under which prizes for bulls are offered at agricultural shows (1). The new rule reads as follows. "A bull to be eligible to compete in classes towards which the Dairy Shorthorn (Coates's Herd Book) Association contributes all or part of the

(1) See Bulletin no. 3, page 346.



prize-money must be eligible for and entered in Coates's Herd Book, with a registered number, or his pedigree sent for such entry previous to the show. At the time when the bull is entered for one of these classes his dam and his sire's dam must have one of the following qualifications: (a) They must have been mentioned in the award list or have received certificates of merit in milking trials or tests recognised by the Dairy Shorthorn (Coates's Herd Book) Association, or in classes set apart for pedigree dairy Shorthorns since a standard quantity of milk has been a necessary qualification; (b) They must have a yearly milk record of either 6,000 lb. as a first-calved heifer or 8,000 lb. as a cow, such record to have been published in the Year Book of the Dairy Shorthorn (Coates's Herd Book) Association.

(Summarised from the *Agricultural Gazette*, December 12th., 1910.)

**5. The Irish Co-operative Creamery Butter Control.** - The organisation which bears this name was formed for the purpose of registering a "brand" for the exclusive use of such Irish co-operative creameries as would conform to regulations framed with the object of ensuring that the butter shall be of high quality. The Control has now been at work for over half a year, and the *Irish Homestead*, in its issue of February 4th., publishes statements furnished by various societies as to the results obtained by becoming members of the Control and conforming to its regulations. The statements are as follows.

1. "We have been working under the Butter Control scheme since June and we are well satisfied with the results obtained therefrom. The quality of the butter produced since we started has been of very fine quality, close in texture, and with scarcely any appearance of moisture. Since we started to sell under the brand we have had an increased demand for our butter over other years, and we consider, according to market reports, that we have obtained from 4s. to 5s. per cwt. more owing to quality being uniform."

2. "There is not a doubt but that the price of Irish creamery butter can be increased by from 3s. to 7s. per cwt. if the Control is worked right and supported. It is the quality alone that we should be first interested in. If it is kept right for a year or two so that we get the confidence of the trade, the price will take care of itself."

3. "I have now been working the scheme for the last five months, and find it of immense advantage, and the butter sold under the brand is every day becoming more popular and sought after among my customers. I find very little difficulty in obtaining 1s., 2s., or 3s. per cwt.

over ordinary prices for the butter. I attribute this in great measure to the use of the Control label ”.

4. “ I must say I am very pleased with the results. The nett gain on the price received for our butter during the period working under the Control scheme I can safely put down at 3s. per cwt. ”

5. “ Our connection with the Control scheme is of a decided advantage to us. When the merchants realise the fact that the quality is improved we shall receive better prices still. ”

### 3. Miscellaneous Information.

1. **The King and the Royal Agricultural Society.** — At the monthly meeting of the Council of the Royal Agricultural Society of England, held on January 25th., the Acting President (the Hon. Ailwyn E. Fellowes) read the following a letter which he had received from the President of the Society, King George V:

“ Windsor Castle, January 23rd., 1911.

“ My dear Fellowes, — It is a matter of sincere gratification to me that the third occasion of my occupying the position of President of the Royal Agricultural Society should be when its visit is to the county of Norfolk, where I have for so many years made my home, and in the agricultural development of which I shall always take the keenest interest.

“ I learn with much pleasure of the prosperous condition enjoyed by the Society to-day, and of its increased activity in all matters generally affecting the welfare of agriculture.

“ Much of the good results upon which the Society can rightly congratulate itself is due to the untiring work and personal influence of our honorary director, Sir Gilbert Greenall.

“ I am delighted to hear that there has been an addition of upwards of 200 members from the county of Norfolk, and I trust that this example may prove an incentive to other counties to increase their membership of this great society.

“ I know that you and your colleagues are making every effort to secure the highest possible standard of excellence, both in exhibits and as regards the general arrangements of the show yard at Norwich, and I feel certain that, given fine weather, we shall be able to record an eminently successful Show.

“ I understand that many of the Ministers of Agriculture from my oversea Dominions have been invited to attend the show. I trust that, at

all events, it may be possible for some of them to be present, and that they will derive both pleasure and experience from their inspection of the varied and comprehensive exhibits of live-stock, implements, and produce of this country which will be brought together in the show yard.

"I greatly appreciate your kindness in discharging the duties of President of the society on my behalf during this year.

"Believe me, very sincerely yours,

"GEORGE R. I."

In reply to this letter, the following address was sent to His Majesty:

"The Council of the Royal Agricultural Society of England have received with gratitude and high appreciation the terms of the letter addressed to the Acting-President by His Majesty the King, President of the Society, and they beg to assure His Majesty of their deep sense of the very great interest which His Majesty has always taken in the work of the Society, and their respectful thanks for the good wishes for the success of the Norwich show to be held under his presidency."

(Summarised from the *Times*, January 21st., 1911).

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**2. Organisation of the Poultry Industry in Scotland.** — Under this heading the Secretary of Scottish Agricultural Organisation Society contributes an article to the January number of the *Journal of the National Poultry Organisation Society*. He states that, under the guidance of the Poultry Committee of the Scottish Agricultural Organisation Society, marked progress is being made in the development of this important industry among small holders. During the past year, 14 new poultry societies have been formed in Scotland, making in all 32 such societies. The formation of societies and the dissemination of useful information by means of leaflets and the delivery of lectures at suitable centres has stimulated a greatly increased interest both as regards the breeding and management of poultry. This has led to an enormous increase in production in all those districts where properly organised societies have been established. By means of a grant received from the Highland and Agricultural Society of Scotland, the Organisation Society has been enabled to send to its affiliated Societies in the Highlands and Islands, for distribution amongst small holders, 386 settings of eggs produced from pure-bred fowls, and in the same way, through the same agency, they have distributed 216 pure-bred cockerels.

A crofter in the Island of Eday, Orkney, who is a keen co-operator, recently submitted a balance sheet for the past year, from which it appears that his net profit from poultry produce alone equalled fully three times

the entire rental of his croft. The gross sales of poultry produce, including a few pounds' worth consumed by his own household, amounted to £37, whilst the cost of maintaining his fowls, including purchased feeding stuffs and produce grown on the croft, which was charged at market prices, amounted to £15, leaving a net profit of £22 from poultry produce on a small croft the rental of which is £7 per annum. The number of hens was eighty. Of course nothing was charged in the balance sheet for labour, and the price credited for produce was that received at the local egg-collecting depôt.

A further development of the egg-collecting scheme is now under contemplation in Ayrshire. Leaflets have been distributed and a series of meetings organised, and it is hoped that sufficient interest has been awakened to justify the formation of a strong central depôt, with several sub-stations. In connection with the central depôt it is intended to start a poultry-fattening station as well.



**3. Co-operative Bacon Factories in Ireland.** — The success of the co-operative bacon-factory at Roscrea (Co. Tipperary) has given rise to proposals for the establishment of similar factories at Omagh (Co. Tyrone) and Wexford. In each of these districts a systematic canvass of the farmers is being carried on with a view to securing their support, and it now seems certain that both projects will be brought to completion.

(Summarised from the *Irish Homestead*, January 28th., 1911).



**4. District Conferences of Agricultural Co-operative Societies in Ireland.** — Conferences of delegates from agricultural co-operative societies were held in the following districts on the dates indicated:

Newcastle West (Co. Limerick), November 25th., 1910; Dungloe (Co. Donegal), November 30th., 1910; Limerick, January 18th., 1911; Ballymena (Co. Antrim), January 21st., 1911, and Kilkenny, January 24th. At Newcastle West there was a long discussion on the Dairying Industry (Ireland) Bill (1) and a resolution (which we publish elsewhere) was passed on the subject of decentralising the Agricultural Co-operative Movement.

At Dungloe it was agreed that the auditing of the books of all the societies in the conference district should be done at the same time. At Limerick, Ballymena and Kilkenny, the Dairying Industry (Ireland) Bill was the chief subject under discussion.

(1) See Bulletin no. 2, page 77 and Bulletin no. 3, page 349.

5. **A Society for the Improvement of Dairy Cattle.** — A society has been formed, under the title of the Leicestershire and Rutland Cattle Improvement Society, Ltd., for the purpose of increasing the yield of milk per cow in Leicestershire and Rutland by the purchase of pedigree bulls of a deep milking strain for the use of members in various parts of two counties. It has been realised for some time that the custom of the small farmers of buying cheap cows and having herds without specialisation in milking qualities is very detrimental to the dairy industry. The Society, which was formed with the assistance of the Agricultural Organisation Society, will not only hire pedigree bulls to its members but will undertake the inspection of their herds.

(Summarised from *Co-operation in Agriculture*, December, 1910).

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6. **A Surprise Show.** — At the Annual Dinner of the "All for Each" Allotment and Small Holders, Ltd., held at Southall, Middlesex, the guests were treated to an unexpected item. At the back of the hall in which the dinner was given a stage had been erected, on which a display of stock and produce, fed or grown by members of the Society, was arranged. The greatest secrecy had been observed in the matter and most of the guests were quite unaware of the intended display until, during the speech-making, a curtain was withdrawn, disclosing a show of pigs, poultry, rabbits, eggs, vegetables, home-made bread, etc. The show was admitted to be a striking testimony to the capacity of the members to cultivate the additional land which they have been seeking to obtain under the Small Holdings and Allotments Act.

(Summarised from *Co-operation in Agriculture*, February, 1911).



# CO-OPERATION AND ASSOCIATION

## ITALY.

### CURRENT QUESTIONS

#### General Confederation of Italian Agricultural Co-operative and Mutual Societies in Behalf of the Small Agricultural Co-operative Societies.

##### Sources :

Confederazione Generale delle Cooperative e Mutue Agrarie Italiane. Memoriale alle S. E. il Presidente del Consiglio dei Ministri il Ministro dell'Agricoltura, Industria e Commercio il Ministro di Grazia Giustizia e dei Culti e il Ministro delle Finanze, sui provvedimenti che s'inviavano per le piccole Cooperative Agricole (*General Confederation of Italian Agricultural Co-operative and Mutual Societies Memorial to their Excellencies the Prime Minister and the Ministers of Agriculture, Industry and Commerce, of Justice and Public Worship and of Finance on the Measures called for in Behalf of the Small Agricultural Co-operative Societies*) Rome, 1911

Legge 7 luglio 1907 n. 526 portante disposizioni a favore delle piccole società cooperative agricole e delle piccole associazioni agricole di mutua assicurazione (*Law of the 7th. July, 1907 No 526 containing Provisions in Favour of the Small Agricultural Co-operative Societies and the Small Agricultural Mutual Insurance Associations*)

Disegno di legge presentato il 10 maggio 1909 dal Ministro di Agricoltura, Industria e Commercio (Cocco-Ortu) di concerto col Ministro di Grazia, Giustizia e dei Culti (Orlando V. E.) e col Ministro delle Finanze (Lacava), concernente la riforma della legge 7 luglio 1907, n. 526 anzidetta (*Bill presented on the 10th May, 1909, by the Minister of Agriculture, Industry and Commerce (Cocco-Ortu), in concert with the Minister of Justice and Public Worship (Orlando V. E.) and the Minister of Finances (Lacava), for the Reform of the Law of 7th July, 1907, No 526 mentioned above*). Atti Parlamentari, Camera dei Deputati, Legisl. XXIII<sup>a</sup>, Sess. 1909, No 125 (*Parliamentary Proceedings, Chambers of Deputies. 23rd. Parliament, Session 1909 No. 125*).

Relazione della Commissione Parlamentare sul disegno di legge citato, presentata il 29 giugno 1909 (*Report of the Parliamentary Commission on the Bill abovementioned, presented on the 29th. June, 1909*). Atti Parlamentari, Camera dei Deputati, XXIII<sup>a</sup> Legisl., Sessione 1909, N. 125-A. (*Parliamentary Proceedings, Chamber of Deputies. 23rd. Parliament. Session 1909. No. 125-A*).

Codice di commercio del Regno d'Italia, 1° gennaio 1883 (*Commercial Code of the Kingdom of Italy, 1st. January, 1883*).

Nuovo testo unico delle leggi sulle tasse di registro, approvato con Regio Decreto 20 maggio 1897, n. 217 (*New Final Text of the Laws on Registration Duties, approved by Royal Decree of 20th. May, 1897, No. 217*).

Nuovo testo unico delle leggi sulle tasse di bollo e su quelle in surrogazione del bollo e registro, approvato con Regio Decreto 4 luglio 1897, n. 414 (*New Single Text on the Laws on Stamp Duties and on those in Subrogation of Stamps and Registration, approved by Royal Decree of the 4th July, 1897, No. 414*).

ARCANGELI Prof. AGEO: La riforma della legge 7 luglio 1907, n. 526, sulle piccole cooperative agricole e le piccole mutue assicuratrici (*The Reform of the Law of 7th. July, 1907, No. 526, on the Small Agricultural Co-operative Societies and the Small Mutual Insurance Societies*). Estratto dalla "Rivista di Diritto Commerciale" (*Reprint from the "Commercial Law Review"*), 8th. year, 1910. No. 1. Milan, 1910. Vallardi.

In the Monograph on the "Present State of Agricultural Co-operation in Italy", published in the 1st number of the Bulletin (Year 1910, p. 285), we summarised the law in force on the small co-operative societies and the small agricultural mutual societies, based upon the law of 7th July, 1907, no 526. This law had for its object, it is well to remember, the simplification of certain legal formalities, recognised to be "superfluous and embarrassing" for the small organizations; to give them also the most favourable fiscal treatment and, what was of fundamental importance, to the mutual insurance societies the benefits already conceded to the co-operative societies and enjoyed by them.

But this law "did not correspond completely to the intentions for which it had been promulgated": several doubts arose as to its application and it appeared to be defective in certain points. The former Minister of Agriculture, Signor Cocco-Ortu, recognising this, presented a bill for its reform to the Chamber of Deputies, on the 10th May 1909: and the Special Parliamentary Commission, in its turn, presented its Report on the proposed reform on the 29th June, 1909. It is necessary, in order that what follows may be clearly understood, briefly to recapitulate the principal proposals suggested by the said Commission, which were, in part, accepted by the Government. They are contained in articles 1, 6 and 7 of the draft law elaborated by the Parliamentary Commission in addition to the Ministerial proposal.

In article 1 there is laid down what is to be understood by "agricultural co-operative societies" and the meaning of "effective capital" in



relation to them, and this with the intention of removing every doubt with respect to the application of the law; according to the said article, then, by agricultural co-operative societies are to be understood those "working within the field of agricultural economy, whatever be the branch of co-operative work to which they devote themselves:" for them, for the Rural and Agricultural Banks of co-operative form and with a capital *really paid up* on subscribed shares not above 30,000 francs, it is proposed, as long as this limit is not exceeded, that they be dispensed from the formality of posting their Acts of Constitution, their Regulations and the changes made in them, according to the provisions of articles 90-100 of the Commercial Code, and also from the obligation of publishing summary of their Acts of Constitution and their Rules according to art. 94 of the same code.

Art. 6. calls for even more attention both on account of the exemptions conceded in it, and because it determines what characters a co-operative society must have in order to be qualified as "small", and, consequently, be subjected to a special régime. The article establishes that: "The co-operative societies contemplated in the bill, provided they do not allow a dividend above 5 % per ann. on their shares at nominal value, and provided they do not raise their reserve fund above the half of their capital - art. 1. - (all surplus having to be divided among members and those *non-members* who have contributed to make the profits) in the *ten years* following the date of the act of constitution, and as long as the capital itself does not exceed thirty thousand francs", shall enjoy exemption from registration and stamp duties for the acts relating to the operations accomplished by them (1).

Finally, art. 7 provides for the mutual fire insurance societies and the societies for insurance against agricultural risks extending to them the aforesaid provisions, "only in the case in which the amount of annual premiums does not exceed 500 francs in the case of fire insurance societies and 1,500 in the case of those insuring against agricultural risks", and, in the case of those regulated on the assessment system, it is declared that as premiums shall be considered the contributions assessed to cover losses, the general expenses of administration and eventual contribution to the reserve fund (2). These same associations are also included in the provision of art. 228 of the Commercial Code which establishes exemption

(1) See article 153, no. 3 of the final text of the laws on Registration Duties, approved by Royal Decree of the 20th May, 1897, no 217, and article 27, no 9 of the final text of the laws on Stamp Duties approved by Royal Decree of 4th July, 1897, no. 414.

(2) As far as the Mutual Societies are concerned the present criterion for ascertaining their importance is modified by the substitution of the amount of the annual premiums for that of the value of the risks insured.

of the acts of constitution and the acts of withdrawal and admission of members from the registration and stamp duties.

Let us also mention arts. 4 and 11 of the ministerial text: the first, accepted by the Parliamentary Commission without modification, sanctions the abolition, for the small agricultural co-operative credit societies, rural banks and agricultural banks, of their obligation to deposit their monthly financial statements with the courts, as ordered by art. 177 of the Commercial Code; art. 11, modified in part by the said Commission, concedes facilities to the institutions already constituted and not in conformity with the provisions of the law of the 7th July 1907, so as to allow of their coming within its scope.

The small co-operative societies and small agricultural mutual societies did not show themselves satisfied with these proposals: there was indeed soon manifested in the Congresses and in the Press, especially in the technical Press, an agitation against the approbation of the bill for the reform of the law of 7th July 1907, as presented. To this movement it is due that the reform, although so much desired, has not yet been discussed by the Chamber.

There are several reasons for the dissatisfaction; we shall mention two of a general character; first of all it is desired that the facilities and exemptions contained in the bill may be further increased. And, with regard to this, it is observed, that the Italian co-operative movement is no longer in its infancy: the fact of industrial activity itself being more intense, capital in greater abundance, the spirit of association advancing, should invite us "to conceive of the co-operative societies as institutions deserving of greater encouragement and also deserving of assistance, even where the conditions of their existence are easier". In the second place, with regard to the agricultural mutual societies, a *special* law is called for, that is to say, separate provisions more effectively favouring the progress of the mutual societies: this was also affirmed in the recent congresses of Reggio Emilia (2nd number of the Bulletin 1910, p. 116) and Rome, and already some time ago, the National Committee of Agricultural Mutual Societies elaborated and still favours a draft law on the Mutual Agricultural Societies, inspired by the principles we indicated in the 1st number of the Bulletin (Year 1910), p. 339, to which we refer our reader.

The General Confederation of Italian Agricultural Co-operative and Mutual Societies, the headquarters of which are in Rome, and of which we have already had occasion to speak in the 1st number of the Bulletin (Year 1910, p. 301), made itself the echo of the abovementioned movement in behalf of the small co-operative and mutual societies and the interpreter of their desires. Its Board of Management has, in fact, drawn up and presented to the Government a special memorial on the subject which we shall resume here, because, having been, in principle, favourably received

by the Ministry, count will be taken of it when reforming the law of the 7th July, 1907.

The memorial first deals with the idea of the "small agricultural co-operative society": for the execution of the law "as small agricultural co-operative societies shall be considered, the agricultural co-operative distributive societies, agricultural consortiums, collective farms, dairies, wine societies, oil mills, societies for sale and exportation, rural banks, agricultural banks, and, generally, all societies, composed for the most part of farmers, working within the field of agricultural economy, whatever be the branch of co-operation to which they devote themselves, being legally constituted and not having a really paid up capital of more than thirty thousand francs: and realising the following principal requirements:

a) number of members unlimited, with liberty of entrance and right of withdrawal under due conditions;

b) right of admission for persons who have the requisite uprightness and morality recognised by the Board of Management and, on appeal, by the Advising Committee, or by the Board, or the General Assembly, and this conformably with the welfare of the society; *all political and confessional character is excluded;*

c) equal voting rights for all members;

d) absence of administrative agencies, exterior to the society;

e) capital unlimited;

f) absence of any speculative character in the shares and capital; exclusion of dividend or limitation of it to an annual maximum of 5 % on the amount of the sum really paid up by the member, and exclusion of all dividend at liquidation, in excess of the capital really paid up;

g) society's servants unremunerated, except for wages to employees;

h) district limited to a single commune, or fraction of commune, and only exceptionally, to several contiguous communes with due regard to the necessary conditions for the life of the association".

The memorial, after indication of the formalities to be gone through for the legal constitution of the small co-operative societies, formalities it is desired to reduce to a minimum and that, for the sake of brevity, we shall not give here, deals with the *fiscal treatment*, a subject that "must be approached with a breadth of view equal to the justice of the cause sustained by the small agricultural co-operative societies and the social benefit derived from them". The State, it is added, has reasons for wishing them well and must regard them "not as if they were very prosperous manufacturing societies and banks, but as financial units that have to contribute to the extension and defence of *peasant property*". A law in their favour must then be prepared from a *social* and not a strictly *fiscal* point of view.

So much established, the Confederation asks that, besides the exemptions mentioned above, from stamp and registration dues, the co-operative societies of collective title that, by the law of the 24th August, 1877, no. 4,021 (art. 16), are obliged to a limited declaration of, besides their own revenue, the emoluments, pensions and annuities they pay their employees, may also enjoy exemption from income tax in respect to the interest paid for sums received in deposit, with the consequent deduction of the interest from their own revenue.

The Confederation asks that: " There be exempted from the above-mentioned tax all the sums that the Societies in question at the end of the year distribute among members and non-members, as restitution of the price of goods bought or sold through the medium of the Societies themselves or of produce treated or obtained in common, and as supplementary payment for labours performed. "

Further, it is requested that the tax may not apply at all to Societies that limit to their own members the operations the accomplishment of which forms the object of the Society, and exclude all payment of dividends either during the life of the Society or at its liquidation, in the latter case devoting the residue of their property to purposes of public utility.

It is in this way the Confederation has desired to approach and solve the problem of exemption from taxation of personal estate of certain revenues which even according to the existing legislation, should not, in the opinion of some, be liable to such taxation. It is a complex and delicate problem which has often been the subject of discussion in Congresses and in Parliament: we refer our reader who may wish to have an idea of the various fiscal questions affecting the Co-operative societies in Italy to a special article published in the 2nd number of the Bulletin, 1910, page 100.

But, comparatively speaking, the newest part of the draft law prepared and supported by the Confederation is the proposal of: "*Supervision and assistance of the small agricultural co-operative societies.*" We give here some of the articles dealing with the subject, as formulated in the memorial:

*Art. 16.* The small agricultural societies are bound, except as provided in art. 19, to adhere to Federations or National Unions, that propose - while respecting the independence of the Societies themselves - to unite their administrations both for the observance of the legislative provisions and for the regularity of their accounts. These Federations and these Unions, however constituted, shall obtain from the Ministry of Agriculture, of Industry and Commerce, the approbation of their rules and regulations.

*Art. 18.* There shall be placed on the Estimates for the Department of Agriculture suitable financial subsidies for the above mentioned Feder-

ations and National Unions, as encouragement for the work undertaken by them in favour of Agricultural co-operative organization. •

*Art. 19.* As regards the *inspection* of the small agricultural co-operative societies not adhering to Federations or to recognised (1) National Unions, the Tribunals shall each year make provision, appointing expert inspectors, at the expense of the societies themselves.

In this way there would be introduced into Italy the system of *inspection*, the results of which have proved excellent in Germany, and which, in giving life and strength to the Federations, gives unity and a good organization to the agricultural and co-operative movement.

In the 1st Number of the Bulletin (Year 1910, page 334) we said that the General Confederation, with which we are dealing, had already commenced its own programme of work by the study of the question of *obligatory inspection* for the agricultural co-operative and mutual societies. We must now note that, in 1896, the special Commission appointed by the Government for studying the means of developing the various forms of rural co-operation, entrusted one of its members, Prof. Cesare Vivante, of the University of Rome, with the preparation of a draft law for the Co-operative Societies, in which regulations were laid down for the institution of inspection; later, in the Congress of Co-operative Societies at Reggio Emilia (8th October, 1905), the General Secretary of the National League, submitted to the congressists a project, of which he was the author, for the foundation of a Credit Institute including also an *inspection office*: the concession of credit was subject to the obligation of inspection; credit would have been a reward for those Societies the management of which left nothing to be desired from the two points of view, technical and administrative. Neither must we forget article 19 of the Bill for the Institution of the Banks of Labour and Co-operation, presented on the 11th February, 1910, which we dealt with in the 1st Number of the Bulletin (Year 1910, page 303), and according to which the Bank is bound to exercise supervision over and inspection of the administration and the societies to which it grants credits. Finally, *optional inspection* is already exercised by the National League of Co-operative Societies, by the other National Federations and by several local Federations. The Memorial of the General Confederation was presented to the Minister of Agriculture by the President of the Confederation, the Honorable L. Wollemborg.

(1) They must be recognised by Ministerial Decree inserted in the Bulletin of the Ministry of Agriculture and reproduced gratis in the Italian Provincial papers for legal advertisements, together with their documents annexed complete.

## II. -- RECENT NEWS.

### 1. Work of the Federations and Central Institutions of the Co-operative Societies and the Large Agricultural Associations.

1 **The Italian Federation of Catholic Rural Banks.** — On the 19th. December, the Federal Junta "met in Rome to discuss the measures to be taken for the observance of the Decree of the 18th. November, 1910, of the Sacred Consistorial Congregation" (see *Bulletin*, no. 3, p. 371), upon the subject of the participation of the Clergy in Catholic economic institutions, especially in Rural Banks. The "Federal Junta", while declaring, in the name of the Italian Federation, its unconditional acceptance of the contents and intentions of the said Decree, has judged fit to advise the following action.

#### A

1. The members of the clergy are urgently requested to continue their collaboration for another four months and not immediately to tender their resignations, which, if too sudden, might damage and discredit the institutions.

2. The members of the Clergy filling offices in the Rural Banks are most urgently requested, to devote themselves with zeal and patience to the training of good men for the positions of secretaries and book-keepers, and are urged to hold frequent meetings with the members of the Board of Management and of the Committee of the Syndicate for their instruction in the conduct and correct working of the Rural Bank.

3. Most earnest appeal is made to the Italian Diocesan Boards of Management for the institution, within as brief a term as possible, of Diocesan or Provincial Federations of Rural Banks: and all the Catholic Rural Banks are invited to adhere: and where such an institution is not possible to send in their adhesion to the Italian Federation.

4. The Local Federations are advised to organize federal branches, that is to say, unions of the nearer Rural Banks so that they may take into their service a permanent secretary and book-keeper to fill the places left vacant by resigning priests: in this way, a beginning will be made of a service of *Mutual Inspection* of these institutions.

## B.

5. The Local Federations are invited to hold one or more courses in the year for the training and technical perfecting of the staff of the Federated Banks; and to make attendance at these courses obligatory for the whole staff of each bank; and to exclude from the Federation those Rural Banks which continue to keep a staff judged technically incompetent.

6. Each Local Federation is warmly invited to organize its service of supervision and assistance in the strictest and completest fashion, excluding from the Federation such Rural Banks as refuse to submit to inspection, or do not follow the advice of the inspector.

7. Each Local Federation is invited to hold at least one meeting a year with the object of instructing the administrators and managers of the Federated Banks as to the true duties of the administration and the obligations and responsibilities of their office.

8. Fervent desires are expressed that there may be the most constant relations of mutual assistance and friendship between the Local Catholic Banks and the Provincial or Diocesan Federations. There, however, where the Federations cannot be suitably assisted by the Catholic Credit Institutions in the constitution of a practically compulsory union among the Federated Banks, let them provide, if it is possible, for its constitution themselves, giving it a legal form, according to the local means best adapted to it.

## C.

9. The Italian Federation shall provide for the constitution and the working of the Local Federations, trying to render the work uniform as far as the vigilant and constant service of inspection and technical instruction is concerned.

10. The Italian Federation, through the medium of persons of proved and special technical capacity shall maintain itself in constant relation with the Federations and provide for a suitable supervision of their operations.

11. As soon as possible, Inter-Regional Congresses of Upper Italy, Central, Southern and Insular Italy shall be convoked, as already decided at Modena on the 10th. November last, and be specially called on to discuss the following matters:

- a) Mode of Working of each Federation;
- b) Organization of Inspections;
- c) Technical Training of Employees;
- d) Investment of disposable sums and operations with non-members.

In view of the terms of the Pontifical Decree, and with the object of preparing a staff capable of governing and directing the Catholic institutions, in place of the ecclesiastics, the Federation of the Rural and Popular Banks of the Province of Bologna, the Economic and Social Federation of the Catholics of the Diocese of Adria, the headquarters of which are at Rovigo, the Piedmontese Federation of Rural Banks, as well as others, have started special courses of instruction in book-keeping and bank management.

(Summarised from *La Cooperazione Popolare*, Parma, no. 15th. January, 1911).

2. **The Milanese Economic and Social Federation.** Last December the Board of Management of the "Diocesan Federation of Economic and Social Enterprises," met at the headquarters of the Federation in Milan. It examined the preparations made for the institution of a "Central Book-keeping Office for the Diocesan Economic Associations,..." Then, the Board, after deciding to place itself at the disposal of the Italian Federation of Rural Banks in order to collaborate with it in a programme of action, fruitful of good, in this connection, convinced itself of the necessity of a systematic resumption of work on the part of the Italian Catholics in the economic and social field. It passed the following vote, which will be communicated to the Bergamo "Economic and Social Union,"

"The Board of Management of the Milanese Diocesan Federation of Economic and Social Enterprises, after having examined the results of the discussion which took place at the twentieth National Congress of Modena (See the 3rd Number of the Bulletin, p. 379) both in the economic and social department and in the general discussion, affirms that it is most desirable that the beneficial echo be not allowed to be lost without provision being made for the general restoration of vigorous action on the part of the Catholics in the field of professional institutions, thrift and social co-operation. For this purpose, it invites the Board of Management of the Economic and Social Union during the current year to convoke the Assembly of Delegates with the object of consulting them as to the fittest means for attaining the end proposed, and of providing each of them with a rule as to the advisability and the method of giving them practical form..."

The Federation has also taken the initiative in the compilation of model rules for the different forms of associations, and this, on account of the difficulty experienced by new societies in getting uniform rules, drafted according to modern ideas.

(Summarised from the *Co-operazione Popolare*, Parma, No. 1, 15th January, 1911).



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3. **The Italian Federation of Agricultural Trading Societies in 1910.** — On the 29th. January, the meeting of the members of this National Organization, which has its headquarters at Piacenza and of which we have already had occasion to speak in the first number of the *Bulletin*, p. 291, was held in presence of the delegates of the most important agricultural co-operative associations.

In the absence of the President, Senator Gorio, Prof. V. Alpe took the chair. After a short statement as to the moral position, the Engineer, E. Morandi, read a detailed Report on the various branches of the economic action of the Society. It not merely occupies itself with technical propaganda by means of numerous lectures and a great number of publications, distributed gratuitously to the farmers, and with trials of new machinery, but also exhibits an intense activity in the commercial field; it watches the principal markets of the entire world in relation to merchandise with which agriculture is concerned; it buys, with every guarantee against possible fraud, machines, manure, seeds, and anticyptogamic substances, on behalf of its affiliated Agricultural Consortiums; and it buys everything under the most favourable conditions of the market, profiting by the facilities offered for wholesale purchase; so it realises large savings by which the farmers profit, and it aids them further by the concession of loans.

Let us follow closely the above mentioned Report:

During the year 1910, the Federation delivered goods to the value of 13,448,499.85 frs.; that is to say of 2,122,297.25 frs. more than in 1909. This progress is above all due to an increase in the trade in nitrate of soda, Thomas' Scoriae, and Potassium Salts.

The Nitrate of Soda purchased, which, in 1909, was 85,336.89 quintals, rose, in 1910, to 101,233.60 quintals; that of the Thomas' Scoriae rose from 390,836.85 quintals to 561,431.40 quintals; the importation of Chloride and Sulphate of Potash rose from 31,152.25 quintals to 44,975.50; and that of kainite from 16,056.70 quintals to 19,024; the grains for sowing rose from 6,859.82 quintals to 11,815.90; the bone superphosphate also increased by about 2,500 quintals.

These collective purchases represent a total value of about 7,200,000 frs.

The amount for machines sold was about 150,000 frs. less than that of 1909.

The Regional Offices in Rome and Naples have contributed to the increase of business, in the matter of merchandise.

«Summarised from *Giornale di Agricoltura della Domenica*, Piacenza, no. 6.  
5th. February, 1911»

4. **Interprovincial Federation of Agricultural Co-operative Societies.** The General Meeting of this North Italian Federation was held at Milan at the end of January. The President, Signor Samoggia, recounted the work done during the year 1910. Besides the book-keeping and administrative assistance it is habituated to give to the federated co-operative societies, we must note a special undertaking: the organization, as far as the sale is concerned of the collective work of sale of cocoons and of milk. As regards collective purchase a good organization has not been arrived at by all the societies: some are still without any at all. The Federation proposes to promote a more continuous action for this purpose, "co-ordinating the work that the co-operative societies now effect separately.", A Matter of special interest for the meeting was that regarding a scheme for a superior form of organization for the better utilisation of milk.

Excellent reception has been given to the work already begun and to be further developed relative to *the insurance of peasants against accidents*, to the registration of the members at the National Thrift Institute, and to the foundation of Mutual Cattle Insurance Societies.

(Suntanarised from *L'Umanitaria per i Lavoratori dei Campi* (The Philanthropist for the Field Labourers), Milan, No. 87, 30th January, 1911).

## 2. Miscellaneous information.

### 1. — AGRICULTURAL CO-OPERATION.

1. **Rural Banks and Agricultural Co-operative Credit Societies of Collective Title, existing in Italy on the 31st. December, 1910.** — The National Federation of Italian Rural Banks, with headquarters in Rome, has prepared a list of Rural Banks and Agricultural Societies of collective title existing on the 31st. December, 1910. We give a summary of it here.

*Rural Banks and Agricultural Co-operative Societies of Collective Title  
existing in Italy on the 31st. December, 1910.*

Provinces	Number of Societies	Province	Number of Societies
Alessandria	52	Messina	13
Ancona	5	Milan	33
Aquila	29	Modena	18
Arezzo	7	Naples	2
Ascoli Piceno	30	Novara	4
Avellino	6	Padua	73
Bari	9	Palermo	79
Belluno	12	Parma	46
Benevento	6	Pavia	20
Bergamo	75	Perugia	14
Bologna	87	Pesaro Urbino	13
Brescia	52	Piacenza	8
Cagliari	21	Pisa	2
Caltanissetta	54	Porto-Maurizio	2
Campobasso	6	Potenza	11
Caserta	7	Ravenna	17
Catania	50	Reggio Calabria	3
Catanzaro	4	Reggio Emilia	30
Chieti	6	Rome	66
Como	15	Rovigo	54
Cosenza	17	Salerno	1
Cremona	12	Sassari	11
Cuneo	58	Siena	6
Ferrara	10	Syracuse	19
Florence	21	Sondrio	8
Foggia	4	Teramo	2
Forlì	28	Turin	32
Genoa	4	Trapani	24
Girgenti	71	Treviso	69
Grosseto	5	Udine	62
Lecce	7	Venice	27
Leghorn	5	Verona	93
Lucca	1	Vicenza	49
Macerata	5		
Mantua	11		
Massa Carrara	—		
		TOTAL . . .	1763

*Summarised per Regions.*

## NORTHERN ITALY.

	No. of agricultural Co-operative Societies of Collective Title
1. Piedmont (Alessandria, Cuneo, Novara, Turin) . . .	146
2. Liguria (Genoa, Porto-Maurizio) . . . . .	6
3. Lombardy (Bergamo, Brescia, Como, Cremona, Mantua, Milan, Pavia, Sondrio) . . . . .	226
4. Venetia (Belluno, Padua, Rovigo, Treviso, Udine, Venice, Verona, Vicenza) . . . . .	439
5. Emilia (Bologna, Ferrara, Forlì, Modena, Parma, Piacenza, Ravenna, Reggio Emilia) . . . . .	304
Total Northern Italy . . .	1121

## CENTRAL ITALY.

6. Tuscany (Arezzo, Florence, Grosseto, Leghorn, Lucca, Massa Carrara, Pisa, Siena) . . . . .	47
7. Marches (Ancona, Ascoli Piceno, Macerata, Pesaro Urbino) . . . . .	53
8. Latium (Rome) . . . . .	66
9. Umbria (Perugia) . . . . .	14
Total Central Italy . . .	180

## SOUTHERN ITALY.

10. Abruzzi and Molise (Aquila, Campobasso, Chieti, Teramo) . . . . .	43
11. Campania (Avellino, Benevento, Caserta, Naples, Salerno) . . . . .	22
12. Apulia (Bari, Foggia, Lecce) . . . . .	20
13. Basilicata (Potenza) . . . . .	11
14. Calabria (Catanzaro, Cosenza, Reggio Calabria) . .	24
Total Southern Italy . . .	120

## INSULAR ITALY.

15. Sicily (Caltanissetta, Catania, Girgenti, Messina, Palermo, Syracuse, Trapani) . . . . .	310
16. Sardinia (Cagliari, Sassari) . . . . .	32
Total Insular Italy . . .	342

*Relation between the Population and the Rural Banks  
or other Agricultural Co-operative Credit Societies of Collective Title.*

1. Piedmont . . . .	one society for	23,134 inhabitants	
2. Liguria . . . . .	»	187,299	»
3. Lombardy . . . .	»	19,611	»
4. Venetia . . . . .	»	7,311	»
5. Emilia . . . . .	»	8,240	»
6. Tuscany . . . . .	»	55,991	»
7. Marches . . . . .	»	20,545	»
8. Latium . . . . .	»	19,334	»
9. Umbria . . . . .	»	49,271	»
10. Abruzzi and Molise	»	34,221	»
11. Campania . . . .	»	146,527	»
12. Apulia . . . . .	»	102,690	»
13. Basilicata . . . .	»	44,609	»
14. Calabria . . . . .	»	58,264	»
15. Sicily . . . . .	»	11,894	»
16. Sardinia . . . . .	»	25,554	»

" If these figures ", observes the Federation in its publication " do not tell us much in an absolute sense, yet they give us a sufficiently clear idea of the spirit of association in the different agricultural regions, and of the progress that propagandism has made and must still make there ".

(Summarised from the " *Elenco delle Casse Rurali e Società cooperative agricole di credito in nome collettivo esistenti in Italia il 31 dicembre 1910* ". Pubblicazione della Federazione Nazionale delle Casse Rurali Italiane, Roma, 1911, A. Befani).

2. **A. National Agricultural Bank at Milan.** – Recently, this new Co-operative Institution, the object of which is to contribute to the development of national agriculture by the encouragement of all technical, economical and social improvements that may be introduced into it, as into industry or commerce, has been constituted at Milan: the new Institution further proposes to undertake every sort of banking operation, not hazardous.

• (Summarised from the *Gazzetta Agricola*, Milan, No. 2, 8th January 1911).

## II. — NON-AGRICULTURAL CO-OPERATION.

1. **For the constitution of the " Wholesale Store " decided upon at the recent National Congress of Co-operative Distributive Societies. The General Assembly of the Consortium of Co-operative Distributive Societies at Milan.** — In the 2nd number of the Bulletin (Year 1910, page 124) we gave a report of the Italian Congress of Distributive Co-operative Societies, held in Milan in the month of November last, and we noted the decisions of a special Commission, appointed by the Congress, with the object of preparing the foundation of a *Wholesale Store*. Continuing the subject here, we shall now speak of a meeting held in Milan, last December, by the members of the Congress, entrusted to " study the project for the work of the Wholesale Store ".

The meeting was to a large extent devoted to the consideration of the following preparatory question: whether the institution ought to be a new organization, even in a juridical sense, or whether it were best that it should be only the continuation of the Consortium of distributive co-operative societies already existing in Milan (see the 2nd number of the Bulletin, pp. 122-123), in which all the needful modifications of its regulations and all other necessary modifications financial, administrative and technical, should be made in order to allow of its corresponding to the desires of the Congress. " The representatives of the Milan Consortium, which to-day acts as a purchase agency, held that once transformed " it could very soon begin operations, the period of constitution being suppressed, and consequently the length of time required for agreements before the notary and for the approbation of the deed of constitution by the Courts being thus avoided, with all the expenses connected therewith ". After a long discussion the decision of the matter was adjourned.

Then the meeting considered the obligation that the most important co-operative societies must assume (see the 2nd number of the Bulletin, p. 123) " of buying in common, but through the medium of the Store, which must provide itself with certain goods, generally consumed by the Italian co-operative societies, that is to say: sugar, coffee, liquors, meal, dried and pickled fish, tomato sauce, extract of meat, spirits, soap, matches, macaroni, rice, etc. ". The discussion on this matter was long, and many points were left undecided: it was decided, amongst other things, to exclude those goods that " for special reasons of local consumption, such as butter, macaroni and others, the co-operative societies cannot undertake to buy collectively ".

The discussion of the Rules for the Institutions to be founded came up in its turn. We may thus summarise the fundamental principles:

1st. Admission of all co-operative distributive societies that apply, without distinction of political or religious school or party.

2nd. Limitation of the number of co-operative societies to be admitted, in the sense that they will be restricted to one for each locality (commune or fraction of commune), exception being made in the case of large towns, where one may be allowed for each 100,000 inhabitants; the Board of Management reserves to itself the right of decision in each special case, taking account of the individual circumstances.

3rd. Obligation on the part of the associated co-operative societies to subscribe a share of the capital, corresponding to a franc for each of their members, to be paid within three years according to the rules laid down.

4th. The Consortium shall only sell to the associated co-operative societies; it may also sell to societies not associated for a trial period of six months.

5th. Payment for goods must be made in cash, if possible, by the purchasing co-operative societies: yet payment at a definite date, under certain definite guarantees, shall be also admitted.

6th. The Board will be composed of 9 members elected by the meeting.

7th. The profits will be distributed as follows:

- 20 % to the reserve fund;
- 10 % to the staff provident fund;
- 10 % to the funds for studies and propagandism;
- 10 % to the Board;
- 50 % to the distributive societies, after a deduction for interest on shares at a rate not exceeding 4 %.

The discussion of the projected regulations being terminated, it was decided to commission the National League of Italian Co-operative Societies to print and distribute them among the various co-operative distributive societies of Italy, inviting them to send their adherence in principle, subject to definite approval in a special meeting.

Later, on the 8th January, the Extra-ordinary General Meeting of the Consortium of the Co-operative Societies was held in Milan, to deal with the question of the modifications to be introduced into their own regulations, "with the object of supplying the Italian Co-operative Distributive Societies with an Institution such as the great majority of their members desires". After a long discussion and after the modifications decided on were effected, the new Rules of the Society were approved. We shall give the principal articles:

*Art. 1.* A Limited Liability Co-operative Society, under the title of "Italian Consortium of Co-operative Distributive Societies", is established in Italy, with its headquarters in Milan, for the period of 99 years, dating from the act of constitution.

*Art. 2.* The object of the Society is to provide for collective purchase and the production of the articles needed by the Co-operative Distributive Societies, by means of a special agency and a store founded for the purpose, and with manufacturing and agricultural establishments, for which it will provide with financial means to be determined as required. For the development of its own social ends, the Consortium will also grant its aid to new co-operative societies and will favour and facilitate the exchange of produce between the co-operative distributive societies and the societies for production affiliated to the Consortium.

*Art. 3.* The members of this Society may be, legally constituted co-operative Distributive Societies and their Consortiums and Federations, Mutual Aid Societies, or Societies similar to the preceding relative to the exercise of distribution, and legally constituted Institutions exercising benevolence and thrift: these Societies and Institutions will name a person as their representative. The Board of the Consortium may also admit co-operative societies of only *de facto* constitution, when they are well known to be reliable and offer guarantees sufficient in the judgment of the Board itself.

For each locality, town, or fraction, only one co-operative organization is permitted to form part of the Consortium, exception being made for large towns where a co-operative society may be admitted for every 100,000 inhabitants, and except in special cases to be arranged for by the Board as the case requires.

*Art. 7.* The Capital of the Society is constituted by an unlimited number of shares of a nominal value of 25 francs each. The societies that are members of the Consortium may not subscribe more than 200 shares, for a sum, consequently, not exceeding 5,000 francs.

*Art. 12.* For the accomplishment of its ends the Consortium may issue bonds and debentures at interest, receive deposits at interest and contract loans.

*Art. 14.* The goods are bought wholesale on the basis of the consumption of articles most commonly and most generally used, and of all others, demand for which by associated and non-associated co-operative societies may be foreseen. The goods acquired in this way will be distributed or forwarded directly by the commercial houses selling them, from the place of production, or by the Store, to the purchasing Societies at the market price established by the Board of Administration at the suggestion of the Directors. The Consortium may also buy, as intermediary, on behalf of co-operative societies, associated or not, by means of a commission entrusting it with the necessary responsibility.

*Art. 15.* The payment for goods must be in cash or on delivery. A delay of 10 days may be allowed according to the conditions of purchase and the financial position of the Consortium and with every guarantee



that this last may think necessary for the protection of the interests of the society.

*Art. 16.* The accounts are balanced annually at the end of June and the net surplus, deduction made for interest on shares, which may not exceed 4 % is distributed as follows:

20 % to the reserve fund;

10 % to the staff provident funds;

10 % to the Board of Administration;

5 % to the disposal of the Board, to be employed for study and co-operative propagandism;

5 % to the National League of the Co-operative Societies;

50 % to be divided among the co-operative societies in proportion to their purchases as shown by the invoices of the Consortium.

*Art. 18.* The Board may, in exceptional cases, establish that the distribution of goods may be made also to non-associate co-operative societies for a trial period not exceeding six months. In this case, the profit on the purchases of these co-operative societies will not be distributed to them, but paid into the reserve fund.

The assembly authorized the Board to arrange the text of the rules in conformity with the legal requirements (for the sake of brevity we omit the other articles), and to take all necessary steps for their publication and for the eventual modifications required by the competent authorities. On the 1st. February, the new price-list of the Consortium appeared, and was forwarded to all the Italian Co-operative Distributive Societies.

In the 2nd. number of the Bulletin, year 1910, page 121, we gave statistics of all the co-operative distributive societies, existing on the 30th May, 1910; we think it well now to give the number according to Regions on the 31st. December, 1910.

Region	Number of Co-operative Societies	Region	Number of Co-operative Societies
Piedmont . . . . .	277	Abruzzi and Molise.	51
Lombardy . . . . .	651	Campania . . . . .	59
Venetia . . . . .	226	Apulia . . . . .	57
Liguria . . . . .	115	Basilicata . . . . .	7
Emilia . . . . .	341	Calabria . . . . .	51
Marches . . . . .	135	Sicily . . . . .	84
Tuscany . . . . .	316	Sardinia . . . . .	14
Umbria . . . . .	45		—
Latium . . . . .	24	Total. . . . .	2,453

(Summarised from *Il Giornale dei Cooperatori. Organo ufficiale delle cooperative di consumo italiane* (Co-operators' Journal. Official Organ of the Consortium of Italian Co-operative Distributive Societies). Milan,

• nos. 5 and 6, 15th. December, 1910 and 15th. January, 1911).

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2. **An Important Report upon the Co-operative Societies for Production and Labour.** — The General Accountant of the State has presented to the Treasurer General, signor Tedesco, a statistical report upon the operations of the legally constituted co-operative societies for production and labour, and on the nature and value of the contracts for work entrusted to them by the State, the Provinces, the Communes, the Consortiums and the Charitable Endowments, up to date of 31st. December, 1909.

This Publication informs us that at that date the Prefectures had registered in their lists 547 co-operative societies, the greater part for production and labour, with an increase of 126 societies compared with those registered on the 31st. December, 1907. As was the case at the last mentioned date, so also on the 31st. December, 1909, these societies were almost all situated in the provinces of North and Central Italy.

The provinces with the largest number of registered co-operative societies were: Rome with 82 societies, Ravenna 54, Bologna 44, Reggio Emilia 39, Modena 34, Ferrara 24, Genoa 21, Parma 20, Padua 19, Forlì 18. Then came the provinces of Florence and Pisa, and then those of Arezzo, Piacenza and Verona, the first with 12 and the others with 10 registered co-operative societies. In 13 provinces there was no legally registered co-operative society.

As to the total number of contracts granted to the co-operative societies in recent years, 1889-909, it appears that it amounted to 4,426 for an amount of nearly 89 millions and that the number and amount of the contracts has progressively increased. In fact, in 1900, there were 104 contracts granted for an amount of 2 millions, in 1904 there were 180 for 4 millions, in 1907, they reached the number of 477 for a value of 10 millions, and in 1909 there were 546 for an amount of 13 ½ millions.

The following provinces made the greatest number of these contracts: Ravenna 629, Rome 595, Genoa 329, Bologna 317, Padua 314, Reggio Emilia 292, Ferrara 263, Modena 132, Rovigo 122, Verona 115.

As to the value of the contracts, the provinces take this order: Ravenna with 17 millions, Padua and Bologna 10 millions, Ferrara 7, Genoa, Verona and Rome 4 ½, Reggio Emilia 3 ½, Rovigo and Modena 2 ½.

In 17 provinces no works were confided to co-operative societies.

The publication clearly shows the progress made by co-operation for production and labour and the way it has been able to qualify for undertaking works of great importance.

# **CO-OPERATION, AND ASSOCIATION**

## **II. — BIBLIOGRAPHY.**



## Publications of Recent Date relating to Co-operation and Association in Various Countries.

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Jahresbericht 1909 des Verbandes ländlicher Genossenschaften in Herzogtum Braunschweig der landwirtschaftlichen Zentral-Darlehenskasse für Deutschland (*Annual Report for 1909 of the Federation of the Rural Co-operative Societies of the Duchy of Brunswick and of the Brunswick Branch of the German Central Agricultural Bank*). Neuwied.

#### b) Other Publications :

ARNOLD J. Die Entwicklung und der heutige Stand der Getreideverkaufsgenossenschaften in Bayern (*Progress and Present Condition of the Bavarian Co-operative Societies for the Sale of Grain*). Munich, 1910. C. A. Seifried und C.

BRUNNECK DR. WILHELM: Die Pfandbriefsysteme der Preussischen Landschaften (*The System followed by the Prussian Landschaften for their Bonds*). Berlin, 1910. F. Vahlen.

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#### a) Official Publications :

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- Bericht des Allgemeinen Verbandes landwirtschaftlicher Genossenschaften in Oesterreich über seine Tätigkeit in den Jahren 1908 und 1909 1. Teil (*Report of the General Federation of Austrian Agricultural Co-operative Societies on its Work in 1908 and 1909. 1st. Part*) Vienna 1910

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- Notice sur l'économie rurale et l'organisation administrative de l'agriculture Ministère de l'Agriculture de Belgique (*Information as to Rural Economy and the Administrative Organization of Agriculture Belgian Agricultural Department*) Bruxelles 1910. Weirsenbrach.
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#### b) Publications of the Agricultural Organizations and Co-operative Societies :

- Le Boerenbond belge Exercice 1909 - Rapport présenté à l'Assemblée générale du 16 mai 1910 (*The Belgian Boerenbond Financial Year 1909 Report presented to the General Assembly on the 16th May, 1910*) Louvain 1910. Istas

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- Almanach des Coopérateurs belges pour 1911 (*Belgian Co-operative Almanac for 1911*). Bruxelles, 1911. Rue James Watt.

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#### a) Official Publications :

- Report of the Chief Registrar of Friendly Societies for the year ending 31st. December, 1909. Part A. London, 1911 Wyman and Son.

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- Annual Report of the Council of the Central and Associated Chambers of Agriculture, 1909-1910. (London, 1911).

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Progress Report L.II. Ceylon Agricultural Society, Colombo, 1910

### 6. Italy.

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Memoriale alle Loro Eccellenze il Presidente del Consiglio dei Ministri, il Ministro di Agricoltura Industria e Commercio, il Ministro di Grazia, Giustizia e Culto, e il Ministro delle Finanze, sui provvedimenti che si invocano per le piccole cooperative agricole. Confederazione generale delle cooperative e mutue agricole italiane (*Memoria to the Prime Minister, the Ministers of Agriculture, Industry and Commerce, of Grace, Justice and Public Worship, and of Finance, relative to the Provision called for in behalf of the Small Co-operative Societies*) Rome 1911 Coop. Tipografica Manuzio.

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PART II.

**INSURANCE.**



# **INSURANCE**

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## **I. — CURRENT QUESTIONS AND RECENT NEWS.**



# INSURANCE

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## GERMANY.

### I. — CURRENT QUESTIONS.

#### **Insurance against Damage by Hailstorms in Wurtemberg.**

There is no public insurance institution against hailstorms in Wurtemberg, but the State has endeavoured in other ways to alleviate the damage frequently caused by this scourge to the agriculture of this country. An Agreement has been entered into with the " Norddeutschen Hagel-versicherungsgesellschaft " (North German Hailstorm Insurance Company), of Berlin, by which the Company is compelled, in conformity with its rules and conditions of insurance, to take all risks offered by the Wurtemberg farmers whose farms are in this State.

To safeguard the interests of the persons insured, it is established that each of the four sections (corresponding to the four provinces of the State) into which the business of the Insurance Company is divided has the right of sending a representative to the General Assembly of the Company. There must be an Agency of the Company at Stuttgart, with power to represent it both before the authorities and before the public. This chief Agency has to direct the agents of the various circles, who are nominated in accord with the Ministry of the Interior. As to the payment for damage, the Company has to send to the spot experts selected from amongst those nominated by the provincial authorities. Finally, the Ministry of the Interior has the right of exercising a permanent control on the administration of the Company; it may take note of the premium tariffs and the payment of compensation, and send a representative who has a consulting vote, to the sittings of the Administrative Council and the General Meeting. The Company informs the Ministry of the number of persons insured each year, the sum total of the insurance in the Wurtemberg territory and the total of the supplementary premiums collected.

The fixing of base premiums, according to clause § 26 of the conditions of insurance, must be approved by the Administrative Council, after the proposals of the Management have been communicated to the Ministry in order that the latter may have the opportunity of expressing its opinion and wishes on the matter.

The calculation of the premiums is based on the statistics of hailstorms, a single rate of premium for each zone of territory being fixed. A base premium is fixed for each particular district, a smaller premium being established for those districts which have not suffered from hailstorms for the previous ten years, while the premium is increased in proportion, on the contrary, according to the method established by the Administrative Council, for those districts which have been most frequently visited by the scourge during the same period.

When the Administrative Council is about to fix the premium tariff definitely, the Ministry has a right to send a delegate to the sittings of the Council, in order that he may express the wishes of the Government on the question.

If an unlimited obligation to take upon itself the risks of the Wurtemberg farmers had been imposed on the "Norddeutsche Gesellschaft", the arrangement might have been to the injury of the other persons insured with the Company but living in other States of the Empire, and therefore, in order to avoid this possible inconvenience, it has been settled that every year, when the compensation has been paid, and in any case not later than October 15th, the Company must present a statement containing a comparison between the results of the insurance business in Wurtemberg and those for the same year in the other countries served by the Company. This comparison relates to the sum total of the base premiums collected, the compensation paid, the sums carried to the reserve fund, and other administration expenses. If it is shown by this statement that for the business at Wurtemberg there is an adverse balance between the incomings and outgoings of more than 25 % of the base premiums, and if this difference surpasses the adverse balance for all the other countries by more than 25 % of the sum total of the base premiums for all those countries, the State will then intervene, according pecuniary aid. In fact, in this case, 30 % of the expenditure of the Company up to November 1st of the following year which is not covered by the base premiums banked (that is to say, a supplement of 30 % on the final premiums) is to be paid from the special State Fund for insurance against hailstorms in Wurtemberg, or if that should not suffice, from the General Fund. In consequence of this system, the Wurtemberg farmers who insure with the "Norddeutsche Hagelversicherungsgesellschaft" are secured from the danger of having to pay supplementary premiums, and can insure their products by a fixed premium.

In more favourable years, on the contrary, when the profits obtained in Wurtemberg are higher or the expenditure is less than in the other countries, the Company must pay 75 % of the larger profits made or the smaller expenditure sustained to the State Fund for the insurance of Wurtemberg.

In the comparison of the results of the receipts and expenditure for Wurtemberg and the other countries, it is calculated that the administration expenses in Wurtemberg are 25 pf. per 100 M. of the sums assured, whereas in the other countries they are only 15 pf. per 100 M.

At the end of the year the Company presents its final balance sheet and shows the sum total of the supplementary premium, fixed by the Administrative Council for all the persons insured indiscriminately; the supplementary premiums which the Wurtemberg farmers may have to pay are instead paid to the Company from the Special Insurance Fund or from the General Fund of the State.

In 1900 the farmers of Wurtemberg were insured with the « Norddeutsche Hagelv-gesellschaft » for an amount of 68,712,171 M.; in 1905, 88,599,666 M.; in 1906, 96,653,678 M.; in 1907, 103,000,000 M.; and by July 1st, 1908, the total sums assured had risen to about 115 million M.

The sum total of the supplementary premiums paid by the special State Fund of Wurtemberg to the Insurance Company in 1905 was 1,467,317 marks (— 178 % of the total of the final premiums); in 1900 it was 1,392.62 M. (— 150 % of the final premiums), in 1907, 1,613,180 M. (— 160 % of the final premiums): a total of 2,975,805 M.

The sum total of the supplement of 30 % of the final premiums of which we have spoken above, on the contrary, to be paid by the persons insured at Wurtemberg was only 272,525 M. in 1906, and 302,741 M. in 1907, the total being only 574,996 M.

The payments from the special Insurance Fund of the State for the insured persons of Wurtemberg were more than the payments of the insured to this Fund during the years 1906 and 1907, by 2,400,809 M.

In 1907, the losses in Wurtemberg having been less than in the other countries, the « Norddeutsche H. V. G. » had to pay the sum of 1,082,416 M. to the State Insurance Fund, whereas in 1906, Wurtemberg having suffered greater damage than the other countries, 585,186 M. had to be paid to the Company from the State Funds.

The largest outlay, therefore, which the State Funds had to face for the payment of the supplementary premiums for the insured farmers of Wurtemberg in the years 1906 and 1907 was 2,400,809 M. + 585,486 M. — 1,082,476 M. = 1,903,879 M.

The special State Fund for insurance against damage by hailstorms was constituted by the law of December 26th, 1899, which assigned a foundation capital of 2,000,000 M. to the Fund. The State further granted an annual

subsidy of 200,000 M. from 1901 to 1909. On March 31st, 1906, the Fund had risen to 3,525,224 M., while on March, 31st, 1907, it was 2,165,448 M., and on March 31st, 1908, 2,214,170 M.

With the object of maintaining and increasing this Fund, the limit fixed in the agreement with the « Norddeutsche H. V. G. », by which the supplement due to the Fund by the Wurtemberg insured was not to be more than 30 % of the final premiums, has recently been modified. Instead of 30 %, it has been decided that the supplement must not be more than 40 % of the final premium.

The State intervention in favour of insurance against hailstorms has been very useful in spreading this branch of insurance amongst farmers. Insurance against hailstorms has become popular all through the country, whereas in 1899 there were very few farmers insured, and then only the large proprietors, as a rule.

The law of the Empire of May 12th, 1901, on the supervision of private insurance enterprises, has made no change in the relations between the State of Wurtemberg and the « Norddeutschenhagelversicherungsgesellschaft ». The authorities of the four provinces do the work of supervision in the State of Wurtemberg.

" (From an article by Dr. Gugel, Oberregierungsrat, in the *Leipziger Zeitschrift für Handels-, Konkurs- und Versicherungsrecht* 1911, Feb. 1st, *Leipzig Review of Commercial, Bankruptcy and Insurance Laws*).



## II. — CURRENT NEWS.

### 1. Legislation and Intervention of the State on the Question of agricultural Insurance.

**Insurance against the seizure of animals intended for slaughter in Prussia.** — The *Prussian Minister for Agriculture* has sent round a circular calling the attention of the competent officials to the creation of Communal institutions for insurance against the seizure of animals intended for slaughter. The Circular states, amongst other things, that the most recent information on the subject of the extension of insurance to cattle for slaughter shows a remarkable development of late years in this branch of insurance.

Whereas the statistics collected in 1902 for the year 1901 show that there were then 700,000 oxen, 350,000 calves, 2,350,000 pigs and 25,000 goats and sheep insured, the figures for 1906-7 show that there insurances for animals had risen to: oxen, 1,102,000, calves, 569,000, pigs, 4,076,000 and sheep, 120,000.

During the same period, the number of private insurance undertakings exclusively concerned with insurance against the seizure of animals intended for slaughter, had risen from 300 to 542. The Circular adds, however, that in spite of the great increase of the insurance Companies, they are not sufficient in any part of the country. They are not equally distributed, and in certain regions there are none at all. Even in those parts where the number of insurance institutions is largest, the sum total of the animals insured is not so high as it might and should be. This fact must be attributed, in addition to the lack of goodwill on the part of the farmers, to the defects proper to the insurance institutions themselves, to the excessively high premiums, their oscillations, etc. The Minister has asked the competent officials to see into the question, and to get the Chambers of Agriculture to assist them in their investigations. It especially calls their attention to the fact that the "*Landesökonomiecollegium*," in one of its recent sittings, dealt with the question of the insurance of animals for slaughter, and suggested that the creation of Com

munal institutions for this kind of insurance would be very useful in the interests of agriculture. The decision as to whether the creation of these institutions is advisable or not is an important one, and also whether the animals to be so insured are to be those only which slaughtered within the limits of the district, or whether animals sold to the slaughter house shall be included, as at Schwarzburg-Sonderhausen and Reuss. The Minister is of the opinion that it is advisable to make it compulsory for the farmers insured to insure all the cattle for slaughter which they possess, with the exception of those excluded by the rules of the Institution.

(Summarised from the *Zeitschrift für Versicherungswesen*, Berlin, n. 4, Jan. 25, 1911).

## 2. The Operations of Insurance Institutions.

1. **Private German enterprises for the insurance of cattle During 1909.** — In 1909, in spite of the activity displayed by the different cattle insurance enterprises in Germany, there was not a great amount of business done, although the results could not be considered bad on the whole. There is a general increase of the premiums noticeable in the various reports, to a large extent necessitated by the growing number of disasters; during the year the unfavourable conditions of the weather and the bad quality of the fodders caused a considerable increase in the diseases and mortality amongst the cattle (horses colic, tuberculosis of horned cattle, etc.).

There were 33 private enterprises for insuring cattle in Germany in 1909, 26 of which were on a mutual and the rest on an individual basis.

All the mutual Companies insure against the death of the animals with the exception of the *Vieh-Versicherungs der Viehhändler* in Hanover, which only insures cattle for slaughter. Several of the other Companies, in addition to insuring the live animals, also deal in the insurance of cattle intended for slaughter and other secondary branches of insurance. The other 7 enterprises deal especially with the insurance of animals intended for slaughter.

There were no foreign enterprises dealing with this branch of insurance in 1909.

The following table shows the general course of the large cattle insurance enterprises during the year.

## Summary of the operations of the private German enterprises

Number	Head quarters of Company	INSURANCE ENTERPRISES			Sum insured			Profit and Loss	
		Name	in the year 1929	in the year 1928	in the year 1927	in the year 1926	in the year 1925	Premiums, supplementary payments and other	Products of the sale of surplus property and other animals
1	Altenbourg	Altenburger V V G (1)	13,833	13,378	299,583	103,210			
2	Berlin	Allg. Deutsche V V G	12,250	11,755	456,354	86,416			
3	Berlin	Central-V V V	78,485	73,600	750,539	418,730			
4	Berlin	Veritas	6,713	8,625	252,901	40,233			
5	Berlin	V V B für Deutschland	4,339	4,915	174,712	2,944			
6	Bismarck	Braunschweig Allg. V V G	12,469	12,716	254,447	66,400			
7	Bremen	Bremer V V G	311	277	21,966	4,034			
8	Cologne	Rheinische V V G	22,141	18,001	719,900	143,194			
9	Cöthen	Anhaltische V V B	1,398	1,433	49,950	16,432			
10	Dresden	Sächsische V V B	18,723	19,067	746,169	113,334			
11	Dresden	Vaterländische V V G	9,486	9,405	442,100	84,748			
12	Erfurt	Erfurter V V V (3)	7,614	8,242	245,676	6,847			
13	Halle	Halensia	21,632	13,172	402,611	120,175			
14	Hamburg	Norddeutsche V V G	11,005	10,873	534,021	52,463			
15	Hannover	Schlacht-V V d Viehhändler	7,200	6,300	102,575	65,941			
16	Karlsruhe	Badische Pferde-V A	21,708	20,957	906,822	88,831			
17	Leipzig	Leipziger V V G	623	624	22,006	2,321			
18	Perleberg	Perleberger V V G	259,878	235,493	1,812,693	1,690,918			
19	Plau	Plauer V V G	4,508	4,689	269,427	11,789			
20	Schwern	Schwerner V V G	26,638	26,507	578,921	127,291			

(1) Working year July 1st 1928 to July 1st 1929 — (2) Working year June 1st, 1928 to June 1st, 1929

## for cattle insurance during the Working year 1929

Account for 1929										Balance at the end of 1929					
Profit from invested capital	Commissions (including profits paid for re-insurance)	Depreciation	Share capital	Premiums for current risks	Other reserves (deducted from other reserves)	Surplus	Losses	M	N	M	N	M	N	M	N
9,180	351,561	24,082		138,647	5,842	121,828		4,636							
30,420	354,678	16,192		10,200	8,308	42,612		18,015							
27,104	1,045,583	28,792	(2)	39,414	17,292	57,700		21,496							
20,119	121,612	16,918	24,000	36,344	18,384	60,356									
12,070	112,267	10,948		103,720	7,534										
	-71,932	1,531			690	168,999		4,531							
	20,170	2,915			11,155										
39,433	721,238	45,920		110,268	17,780	78,865									
7,853	61,140	17,305		13,018	10,992			7,853							
26,654	611,314	56,069	60,000	216,603	58,745	184,854									
	348,573	79,879		104,001	50,828	418,190									
	216,335	25,935			4,890	253,740									
19,040	357,618	14,269		35,363	20,274										
14,067	511,528	20,968			108,000	137,826									
	118,970	11,389				41,389									
18,431	800,187	26,167		326,864	39,538	171,805									
	21,161	2,189				62,623									
58,782	3,745,098	58,843		2,762	58,433	246,730									
	220,933	11,219			34,900	113,301									
	504,533	25,187			5,885	133,946									

438

(1) Working year Octobre 1st, 1908-09 -- (2) Working year April 1st, 1908-09.

As far as the small mutual Companies of local importance are concerned, there is no precise information to hand, as usual.

(Summarised from the *Veröffentlichungen des Kaiserlichen Aufsichtsamts für Privatversicherung*, No. 3, Aug. 1910, and the *Zeitschrift für Versicherungswesen*, June, 29, 1910).

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**2. Union of private Insurance Companies in Germany.** — On October 24<sup>th</sup>, 1910, there was a meeting at Berlin, by invitation of the Director General of the Bavarian Insurance Bank, of the representatives of the federations of private insurance enterprises. The meeting was agreed as to the urgent necessity of a combined action on the part of the private insurance Companies in defence of their common interests, and it was therefore decided that a union of the federations should be formed, of which each would have to become a member. A Special Commission formed of the representatives of the federations was nominated to examine the preliminary questions and to compile the rules.

The Commission met on December 5<sup>th</sup> at Berlin, and proceeded to a first compilation of the rules, which were at once communicated to the federations and societies interested. It was decided that a General Meeting should be convoked for the purpose of approving the rules and taking a decision on the formation of the union. The Meeting took place on January 24<sup>th</sup>, 1911, at Berlin, the following societies sending their representatives: the Federation of German Life Assurance Societies; the Union of private companies carrying on the business of fire insurance in Germany; the International Federation of transport-insurance undertakings; the Federation of private companies carrying on the business of insurance against accidents in Germany; the Federation of companies insuring against burglary; the Federation of anonymous societies and the Federation of Mutual Insurance Societies against hailstorms; the Union of German Mutual Societies for the insurance of cattle; the Federation of German Mutual Fire Insurance Societies; the Federation of the Plate Glass Insurance Societies. The representatives of two insurance societies not belonging to the above mentioned Federations were also present at the Meeting: the "Alte Stuttgarter" and the "Norddeutsche Hagelversicherungs-Gesellschaft".

The Meeting unanimously voted the constitution of the "Vereinigung der deutschen Privatversicherungen" (Union of private German Insurance Undertakings) and approved the rules drawn up by the Commission.

The object of the Union is to protect the interests of all insurance undertakings (Art. 1 of the Rules). The head quarters of the Union is at the residence of the President for the time being, and all federations of insurance societies may belong to the Union, as well as isolated societies. The business of the Union is done through the general meeting, the Per-

manent Committee and the President. Each society has the right to a vote in the Meeting; the federations of societies have a right to as many votes as they have societies belonging to them, with a minimum of 10, however, and a maximum of 30.

Decisions are taken by a simple majority of votes, but for the modification of the Rules, the expulsion of members and the dissolution of the Union, there must be a majority of  $\frac{3}{4}$  of the voters.

The Permanent Committee is composed of the President, six members and two assistants, and is nominated for one year by the General Meeting.

The constitution of this Union is undoubtedly an event of great importance, and by its aid insurance may attain the place it deserves in the life and economy of the country.

(Summarised from the *Finanzielle und Assekuranz-Revue*, Nov. 5, 1910, *Saskische Zeitschrift f. d. Versicherungswesen*, Dec. 23, 1910, *Zeitschrift für die gesamte Versicherungswissenschaft*, Jan. 1, 1911, *Annalen des gesamten Versicherungswesen*, Feb. 2 1911)

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3. The 57th General Meeting of the "Union Allgemeine Deutsche Hagelversicherungs-gesellschaft in Weimar", a Germany Hailstorm Insurance Company, the headquarters of which is at Weimar. — The last financial year of this Company, which was founded in 1853 and has its operations in several of the German States, shows the following figures in comparison with those of the previous financial year:

Receipts		1910	1909
Final premiums . . . . .	M.	2,365,329	2,164,873
Policies, dividends and others . . . . .	»	33,457	26,110
Total . . . . .	M.	2,398,786	2,190,983
Expenditure			
Claims . . . . .	M.	1,752,858	427,182
Policy-expenses . . . . .	»	128,468	61,344
Commissions . . . . .	»	225,545	217,571
Administration expenses . . . . .	»	173,827	180,921
Rates and taxes . . . . .	»	38,071	4,820
Re-insurance . . . . .	»	120,483	. .
Total . . . . .	M.	2,439,407	891,838
Loss . . . . .	M.	40,621	. .
Profits . . . . .	»	. .	1,289,145
Dividends . . . . .	»	307,844	275,936
Current profits . . . . .	»	38,046	17,096
Surplus . . . . .	»	305,269	1,593,087

The last General Meeting was held at Weimar on February 9th, and 1541 shares with 387 votes were represented on the occasion.

The surplus of M. 305,268.83 was distributed as follows: 1) 5 % to the reserve fund necessitated by the rules M. 15,263.44; 2) 5 % to the capital reserve M. 15,263.44; 3) M. 32,727.22 to the dividend reserve; 4) dividends to the shareholders (M. 15 per share) M. 75,285; 5) contractual percentage and that necessitated by the rules M. 16,159.73; 6) for the dividends (30 M. per share) M. 150,570; in all M. 305,268.83.

There was a sensible increase in the total sum assured: M. 226,212,583, as against M. 209,474,103 in the preceding year.

During the year there were hailstorms on 89 days, and 3702 cases of damage, while in 1909 there were only 66 days of hail and 1101 declarations of damage.

(Summarised from the *Zeitschrift für Versicherungswesen*, Feb. 15, 1911; the *Saski'sche Zeitschrift für das Versicherungswesen*, Feb. 17th; the *Allgemeine Versicherungspresse*, Feb. 19, 1911, Berlin).

**4. Four New Mutual Insurance Companies for Cattle.** -- The following local companies, declared subject to the supervision of the Empire according to the law of May 12th, 1901, have obtained the authorisation to begin their operations from the Imperial Vigilance Bureau for private insurance enterprises: 1 A Horse Insurance Company at Worfeldon; 2 A Cattle Insurance Company at Bürstadt; 3 A Cattle Insurance Company at Alsfeld; 4 A Horse Insurance Institute at Dietzenbach. (Decision of December 14th, 1910).

(Summarised from the *Saski'sche Zeitschrift*, Leipzig, Jan. 20, 1911).

**5. The Dresden Cooperative Society for Agricultural Fire Insurance.** -- The "Dresdener Feuerversicherung", a co-operative society for insurance against agricultural fires, also had very satisfactory results for 1910. The total sum assured reached M. 1,114,135,723, and the premiums and other dues rose to M. 1,748,933.

The premium reserve apart from re-insurances was M. 783,487; compensation M. 933,444, M. 546,250 of which was reinsured. When the premiums and other expenses were deducted, there was an active balance of M. 296,601, a part of which was paid out as a 15 % dividend to those insured persons who had a right to it, the remainder being carried to the reserve fund, which is now 2 million M.

(Summarised from the *Annalen des Gesamten Versicherungswesen*, No. 4, Jan. 26, 1911).



**6. Associations and Federations of Associations for the insurance of cattle in East Prussia and Silesia.** — The Chamber of Agriculture of East Prussia has decided, at a plenary sitting, to create a Federation of Associations for cattle insurance in the province. A grant of 3,000 M. was voted for the purpose.

The Chamber of Agriculture further recognised the urgent necessity for the progressive formation of a thick network of local associations for insuring cattle, which would cover the whole of the province, thus giving the small farmer the means of insuring his cattle.

The Chamber of Agriculture for the province of Silesia has taken the same decision.

(Summarised from the *Finanzielle und Assecuranz Revue*, Feb. 3, 1911).

## 3. Miscellaneous Information.

## 1. The average mortality amongst farmers according to the Bank of Gotha. —

The general opinion that the mortality amongst farmers is lower than amongst the rest of the population is denied by the statistics which the Bank of Gotha has been collecting yearly since 1880. These show that this difference in favour of the farmer does not exist, and that the average mortality of the farming population from 15 to 50 years is exactly the same ( $99/100$ ) as that for the rest of the population.

	Age at the beginning of year of insurance observed	Number of individuals observed during the year	Died during the years of insurance observed	Anticipated number of deaths out of the whole of the males insured from 1820 to 1896 according to the Bank's experience	Actual number of deaths per 100 of those anticipated
Farmers (except those of the following group).	15-40	26,818	140	145.78	96
	41-55	38,854	473	498.03	105
	56-70	20,124	760	757.61	100
	71-90	3,471	401	389.52	103
Total	..	89,271	1,774	1,790.67	(media) 99
Farmers occupied in distillation, brewing and the manufacture of beer.	15-40	915	5	4.66	177
	41-55	1,109	27	13.39	
	56-70	463	22	16.75	108
	71-90	74	6	9.06	
Total	..	2,651	60	43.86	337

Examining these data, we see that, according to the Bank's experience, whereas for all classes of the population, a mortality of 148-78 may be expected for the ages from 15 to 40 years, the mortality amongst farmers

is 140, that is to say, 96 % of the probable mortality; in the two last groups of age (56-70 and 71-90), the mortality amongst the farmers surpassed that of the rest of the population.

The death rate is particularly high amongst farmers concerned in the manufacture or sale of alcohol.

According to these data it seems certain that the risks to which the life of the farmer is subjected are not sensibly smaller than those to which the rest of the population is subjected.

(Summarised from the *Deutsche Versicherten-Zeitung*, Leipzig, Dec 1910, N. 6).

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**2. Insurance against Thrush fever.** — The Presidential Board of the Chamber of Agriculture of the Rhine provinces dealt with insurance against thrush fever at its sitting of February 1st, 1911, and came to the following conclusions:

a) It is necessary that there should be an insurance for the compensation of losses sustained by the death of animals in consequence of thrush fever, or by the enforced slaughter of them in order to prevent the spread of the disease.

b) It is advisable that an insurance for animals should be founded for the period during which they are on the market; and also that a compulsory insurance should be instituted for all owners of cattle in relation with the provincial institutions already existing for anthrax and peripneumonia. This insurance, however, would be independent.

c) With the object of introducing a compulsory insurance for all owners of cattle, for which a special disposition of the law is necessary, steps are being taken to persuade the Prussian Chamber of Agriculture, when preparing the executive regulation of the law of the Empire on cattle insurance, to introduce a special disposition rendering insurance against thrush fever compulsory.

(Summarised from the *Saskische Zeitschrift für das Versicherungswesen*, Leipzig, February 17, 1911).



# INSURANCE

## FRANCE.

### CURRENT NEWS.

#### 1. Legislation and intervention of the State in the question of Agricultural Insurance.

**1. Bill for the extension of the dispositions of the law of April 9th, 1898, on accidents during Work, to forest cultivation.** -- At the sittings of July 11th, 1910 and January 24th, 1911, the Senate passed a Bill, with amendments, for the extension of the dispositions of the Law of April 9th, 1898, on accidents during work, to forest cultivation.

The Bill was put forward by the Chamber of Deputies and was sent to the Insurance and Social Providence Commission in order that the Chamber might take note of the amendments brought to it by the Senate Commission.

In drawing up the text of the new Bill, the purport of which will be given further on, the Commission took count of the information collected as to the local customs, which it was necessary to know. In order to define the operations contemplated by the Bill, the Commission has substituted the term *chef d'entreprise* (head of undertaking) for that of *exploitant* (cultivator), as a designation of the person responsible.

The Chamber of Deputies had agreed to exempt cultivations of less than three hectares from the application of the law, but, in consideration of the preparation of the soil, the rotation of which, according to the species, occurs sometimes in a cycle of 90 or even 120 years, the Commission has exempted from the application of the law, not only cultivations of less than three hectares, but also those partial or total cultivations by a single tenant in forests of less than three hectares, leaving in the domain of the future law on farm accidents, the small cultivations

made for domestic or daily use by the farm labourers in the small woods connected with the farms in view of their maintenance.

The new law will not be applicable either to woods cultivated for personal use by the owners of the soil, or by the small farmer (*metayage*).

The only object of the slight amendments made by the Commission has therefore been that of better defining the limits between forest and farming cultivations, which are the subject of a special law.

The new text passed by the Senate is as follows :

#### Art. 1.

The legislation on the responsibility for accidents during work is, with the exception of the special dispositions as hereafter, extended to forest cultivations.

#### Art. 2.

The works of felling trees, lopping branches, and, when they are carried out on the ground of the section itself, the works of chopping, shaping, sawing, stacking, bark peeling, and charcoal burning are the only works included under the head of forest cultivation.

The present law, however, is not applicable to wooded lands, partly or entirely cultivated, the area of which under one tenant is no more than three hectares, nor to trees planted outside woods when they do not form a plantation, nor to clearings made in plantations more than 20 years old.

Neither is it applicable to wooded lands cultivated for personal use by the owner of the soil or by the farmer or *métayer*.

#### Art. 3.

The owner of felled trees or trees made into timber is considered as the head of the undertaking, unless the utilisation of the timber has been taken over by a contractor after an adjudication or in execution of a contract.

In all cases, the responsibility of the head of the undertaking extends also to the workmen or employes of the cultivation, even when they are not engaged or paid by the responsible person, provided that their engagement has been agreed upon by this person before the accident, by word and in writing.

#### Art. 4.

If the victim was not hired by the head of the undertaking or had not a fixed wage, the compensation due is to be calculated according to the average wage of the farm wages of the Commune.

## Art. 5.

If the victim is unable to resume work during the four days following the accident, the accident must be declared, either by himself or by a representative or one having the right, to the mayor of the Commune where the accident occurred, who will draw up an official report, give an immediate receipt of the declaration and at the same time send a copy to the head of the undertaking concerned.

In case the person making the declaration does not bring also a medical certificate giving the condition of the victim, the probable consequences of the accident and the date when it will be possible to know its definite consequences, the head of the undertaking must, within four days of the receipt of the copy of the declaration and subject to the penalties set forth in Art. 14 of the law of April 9th, 1898, provide at his own expense for a medical certificate to be given, and have it left at the mayor's house, where a receipt must be given for it.

If, on the other hand, the head of an undertaking has knowledge, of himself or through his overseers, of an accident which has caused a disablement from work lasting more than four days, and if he has not received a copy of a declaration made by the victim, his representative or one having the right to make it, he is bound to make the declaration to the mayor himself and to give in the relative medical certificate.

The form and contents of the above mentioned declarations and official reports will be determined by a decree, as well as the conditions for sending notice of the accidents to the Board of Works by the Mayors.

The period within which the Justice of the Peace must proceed to the inquiry as set forth in the second paragraph of Art. 12 of the Law of April 9th, 1898, is three days, and the said inquiry must be concluded within fifteen days.

The right of the victim to temporary compensation will only begin from the day of the declaration, if the latter has not been made within the four days following the accident.

## Art. 6.

Under the conditions specified by the Law of May 29th, 1909, the head of undertakings licensed by letters patent will be subject to the tax as set forth by Art. 25 of the Law of April 9th, 1898, the heads of undertakings not so licensed being subject to the tax as set forth by Art. 5 of the Law of April 12th, 1906, amended by the Law of March 26th, 1908.

## Art. 7.

The guarantee syndicates formed exclusively amongst the cultivators of wooded lands, may be constituted according to the conditions set forth

in Art. 6 of the Law of April 12th, 1906, provided that they have at least 50 cultivators and that the average assured wages reach a sum total of at least 2 million francs.

#### Art. 8.

Arts. 11 and 31 of the Law of April 9th, 1898, are not applicable to the accidents governed by the present Law.

#### Art. 9.

The present Law will be applicable three months after its promulgation.

Starting from the said promulgation, and in the three months following, the insurance contracts previously inscribed for the cultivations contemplated in the first Article, may be declared by the insurer or by the insured even if they cover the risk specified by the legislation in force.

The declaration is to be made according to the conditions and with the objects specified in the two last paragraphs of Art. 2 of the Law of April 12th, 1906.

(Summarised from the *Conseiller des assurances*, Jan. 12, 1911; and the *Journal Officiel*).



**2. The latest Report of the Minister of Works and Social Providence on the Hygiene and Safety of Workmen.** -- The Minister of Works and of Social Providence has just published a Report on the application during the year 1909 of the Law of June 12th, 1893 and July 11th, 1903 on the hygiene and safety of workmen.

The Report deals with farmers also; one part of it, classed according to occupations, gives the number of accidents during work which have been registered during the past nine years.

The total number of accidents reported in 1909 was 383,249, whereas there were only 354,027 in 1908. The increase is considerable, being 29,229, or 8.25 %. This increase is the more remarkable as it is manifested in all the districts without exception, and in all the professional categories with the exception of two (gem cutting and maintenance).

Some inspectors of work attribute the increase of accidents to the continually growing application of the Law of July 18th, 1907, which gives every employer who is not subjected to the legislation on accidents during work, the option of profiting by it. The writer of the Report, however, does not attach undue importance to this cause; he points out that this



Law could only play a certain rôle if a very large number of employers made use of this option. Now, some recent statistics show that barely 1,300 employers have voluntarily placed themselves under the régime of the Law of 1898 since 1907, and the greater number of these (721) are timber merchants employing woodcutters, so that if there has been an increase as a result of the application of the Law of 1907, it has been felt mainly in the "forests, agriculture" group.

The increase verified in this group from 1907 to 1909 has, however, but little importance; the statistics show considerable variations for the preceding years, as will be seen from the following table:

*Number of Accidents Registered in Forests and in Agriculture  
(establishments of an industrial character).*

	in 1901	in 1902	in 1903	in 1904	in 1905	in 1906	in 1907	in 1908	in 1909
Deduction of accidents causing incapacity of four days and less	2,805	3,855	3,350	2,932	2,880	2,714	3,234	3,203	3,471

According to the writer of the report the general increase of accidents during work is due to the extension of business in 1909, which was testified by the accompanying modifications in all the indices of economical activity; the increase of imports and exports; the increase of the number of persons employed in establishments under the control of Labour Inspection; the rise in prices, etc.

(Summarised from the *Argus de Paris*, Feb. 12, 1911, and the *Semaine*, Paris, Feb. 12, 1911).

**3. Bill for the institution of a National guarantee Fund against agricultural disasters.** — Messrs. Tarbouriech, Albert Poulain, Albert Thomas, Aldy, Paul Aubriot, Barthe, and several others deputies have brought forward a Bill for the creation of a National Fund to make good the damage caused by agricultural disasters of every kind: hailstorms, floods, drought, cyclones, cattle epidemics, etc.

All the persons who suffer directly from these disasters, owners, farmers, metayers, agricultural labourers, are to be compensated.

Damages caused by epizoa and insects will only be compensated in the proportion of three-fourths of the loss.

During the first year the Fund will be supplied by a grant from the Budget equal to the average of the grants voted during the previous five years for agricultural disasters. A supplementary grant may be voted in case the first is not sufficient to provide for the damages of the first year.

The probable charges on the Fund, for the second and following years, estimated according to the results of the first year, will be provided for by an addition of the necessary number of centimes on the income tax on unbuilt lands (2<sup>nd</sup> category, Arts. 7 to 15) and agricultural cultivations, 5<sup>th</sup> category (Arts. 37 and 38). In case the amount fixed by the Finance Act should not be sufficient, it can be increased by further Laws.

The damages caused by the disasters will be estimated by an Arbitration Commission for each canton, which will be constituted after each agricultural disaster. Half of this Commission will be composed of members designated by the Prefect and the other half of persons of both sexes elected by the sufferers. The decrees of the Commission will be given under the presidency of the Justice of the Peace for the canton, and will be without appeal.

The Agricultural Disasters Fund will be autonomous and administered by a Council composed of members by right and members elected by the Senate, the Chamber of Deputies the Council Generals and the members of the Arbitral Commissions. Regulations of public administration will insure the working of the present Law.

(Summarised from the *Avenir économique et financier*, Jan. 31, 1911).

**4. Proposal for a national compulsory mutual insurance against the seizure of animals for slaughter.** — During the last session, Mr. Ory, deputy for the Loire, brought forward a proposal to establish this insurance under the control of the State.

According to this project, which will be brought forward again in the new Chamber by Mr. Marietton and several of his colleagues, all the owners of horned cattle, sheep, pigs and goats to be sold for consumption, will be compulsorily included in this insurance, by which they will be covered against risk of the seizure of butchers' meat in a public or private slaughter house, regularly supervised. The insurance rate will be paid at the time of the sale, by means of a insurance stamp; for the two first years it will be 5 francs, or 2.50 per ox of more than six months, according as the animal weighs more or less than 300 kg.; 0.75 frs. per calf up to six months, or for each pig; 0.25 frs. per sheep or goat. Starting from the third year, the rate of premium will be fixed, in accordance with the average of the compensation paid during the previous year. As

to the compensation, it will represent 9 per 100 of the value of the beast seized, according to the estimation of local commission composed of the veterinary inspector, the officer charged to supervise the slaughter house and a delegate of the Municipality.

It is unnecessary to insist on the importance of this proposal, which will undoubtedly have the special attention of cattle raisers.

(Summarised from the *Bulletin de la Société des agriculteurs*, Paris, Jan. 15, 1911).

## 2. Business Done by the Insurance Institutions.

1. **Some data on the progress of cattle insurances in 1910.** — The “*Avenir bétail*” (“*Cattle Future*”) and the “*Fédération des agriculteurs français*” (*Federation of French Farmers*). — According to *Le Conseil des assurances*, the year 1910 was one of the worst possible for business in general, and especially for the agriculture of the country. The previous years had already been unfavourable, but last year, with its disastrous floods, its continual rains and the absence of summer, was much worse.

The agricultural insurance companies, particularly those concerned with the life insurance of cattle, suffered greatly as a result of the situation. The bad weather, the poor quality and high price of the crops, either directly or indirectly led to an increase of mortality. On the other hand, the proprietors who were not insured had their expenditure somewhat limited by not being able to decide upon taking out policies.

Despite all these difficulties, however, *The Federation of French Farmers* (mutual society, the headquarters of which is at Paris), had a very good financial year in 1910. There were many losses, the sums paid out being 80 % of the amount collected, but the advance in capital was the same as the preceding year, that is, a million and a half francs of new business, a very good result on the whole.

This advance might have been much more important, but the management of the Society is against accepting any but good risks. In cattle insurance, more than in any other branch, the appreciation of risks is a very delicate question; one must know how to eliminate the unsuitable proposals presented.

The “*Federation*” made a certain number of contracts last year that were very important as premiums but very burdensome as disasters. On the other hand, it refused many proposals relating to risks of the same nature. It was thus able to lower the rate of its disasters by 5 per cent in relation to the preceding year.

The following is the amount of the annual sums collected for the past five years:

1906 . . . . .	4,301.42 frs.
1907 . . . . .	18,032.40 »
1908 . . . . .	45,095.65 »
1909 . . . . .	84,147.50 »
1910 . . . . .	118,540.25 »

To pass in five years from four thousand to a hundred and eighteen thousand francs collected is undoubtedly good business.

The results obtained by the "Cattle Future" a mutual insurance society against the mortality of cattle and horses, are also very important. During its 36th working year, this Society, whose headquarters are at Paris, has greatly developed its operations.

An extract from the Report of the financial year 1909 shows that this Society now extends its action to 75 departments, forming a Federation.

The following is a summary of the operations of the financial year 1910, and the importance of the results obtained will be seen at once if compared with the data given for 1909:

	1909	Comparison 1910	Increase
Sums assured	Fr. 34,679,154	38,359,581	3,680,427
Shares . . . . .	» 1,141,185	1,213,848	72,363
Claims . . . . .	» 1,004,164	1,195,000	190,836

Thus, in spite of a year full of disasters, caused principally by bad fodders, the compensation for disasters was reimbursed, as in preceding years.

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**2. The results obtained in 1910 by the "Continentale" Hail Insurance Company.** — The *Continentale* is an "anonymous" Company, the headquarters of which are at Brussels, but which also has operations in France.

The results obtained for the hailstorm branch 1910 were very satisfactory, and are given below, in comparison with those for the financial year 1909:

Number of persons insured, 1909: 12,152; 1910: 12,536; increase for 1910: 1384.

Capital covered, 1909: 28,483,061 francs; 1910: 31,288,681 francs; increase for 1910: 2,805,620 francs.

Total amount of premiums, 1909: 479,159.55 frs.; 1910: 548,127.80 frs.; increase for 1910: 73,968.25 frs.

Number of claims, 1909: 959; 1910: 1375; increase for 1910: 416.

Amount of compensation and policies expenses, 1909: 234,681.40 frs.; 1910: 331,067.45 frs.; increase for 1910: 96,386.15 frs.

Commissions and general expenses, 1909: 144,043.10 frs.; 1910: 166,776.25 frs.; increase for 1910: 22,733.15 frs.

Surplus, 1909: 95,435.05 frs.; 1910: 50,284.10 frs.

(Summarised from the *Moniteur des assurances belges et étrangères*, Brussels, Jan 25, 1911).

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3. **The last financial year of the "La Terre" Company.** — "La Terre", a mutual insurance company against the death of cattle and hailstorms, which was founded in 1904 for the duration of 30 years and operates in France, Algiers, Tunis and abroad, gives the following results for its two branches in 1910:

	Sums assured	Shares, deduction made of those unpaid
Hail branch . . . . .	1,635,476.00	24,247.20
Cattle branch . . . . .	244,192.00	17,813.10
	<u>1,879,668.00</u>	<u>42,240.30</u>
	Claims	General expense
Hail branch . . . . .	18,144.65	5,582.55
Cattle branch . . . . .	12,223.65	5,579.75
	<u>31,078.00</u>	<u>11,162.30</u>

As usual, the claims for hail and cattle mortality were at the rate of 100 per 100, in spite of a very average year for both branches.

(Summarised from *La Semaine*, feb. 5 1911 .

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4. **A New Company for agricultural insurance.** — A Company has been floated under the direction of Mr. A. Chevalier, at 4 Jeanne d'Arc Square, Angers, for the purpose of mutually insuring its members against fire, accidents of all kinds, civil responsibility, hailstorms and the death of animals, as well as for agricultural insurance of all kinds.

The company has adopted the name of "La mutuelle nationale française" ("The French National Mutual Society"); it is authorised to constitute a guarantee fund in advance by the issue 5000 bond to bearer, of the nominal value of 100 francs each.

(Summarised from the *Argus*, of Jan. 22, 1911).



# INSURANCE

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## ITALY.

### I. — CURRENT QUESTIONS.

#### **Insurance against Accidents in Agricultural Labour and Signor Luzzatti's Bill on the Subject.**

##### **Sources :**

Bill presented by the Prime Minister and Home Secretary (Signor Luzzatti), in concert with the Minister of Agriculture, Industry and Commerce (Signor Raneri), and the Minister of Finance (Signor Facta) in the Parliamentary Sitting of the 5th. December, 1910, on Accidents in Agricultural Labour. Parliamentary Proceedings. Senate of the Kingdom. Twenty third Parliament, 1st. Session, 1909-1910. Documents Bills and Reports: No. 386.

Proposed Law on the Obligatory Insurance of Labourers against Accidents in Agricultural labour, presented to the Senate on the initiative of the Senator E. CONTI and taken into consideration in the Sitting of the 31st. January, 1907 (Amended and amplified text). 22nd. Parliament. 1st. Session, 1907-1908. Idem, No. 440-*bis*.

Report of the Central Committee of the Senate on the Conti Bill, presented in the Sitting of the 30th. April, 1910.

Report of the Advocate ARNALDO AGNELLI to the Manager of the National Labour Department on "Obligatory Insurance against Agricultural Accidents". (Acts of the Superior Council of Labour. 14th. Session, February, 1910. Ministry of Agriculture, Industry and Commerce, Labour Department, page 251. Rome 1910).

Report of Profs. TULLIO BAGNI and EZIO BOGGI to the Manager of the National Labour Department, on the "Cost of Insurance" (Acts of the Superior Council of Labour, page 342. Idem).

Report of the Permanent Committee of Labour (Presented by Signor MAZZA) to the Superior Council of Labour upon "Obligatory Insurance against Accidents in Agricultural Labour". (Acts of the Superior Council of Labour, page 347. Idem).

Conclusions voted by the Superior Council of Labour on Obligatory Insurance against Accidents in Agricultural Labour. (Acts of the Superior Council of Labour, page 362. Idem).

Final Text of the Law on Accidents in Labour. approved by Royal Decree of the 31st. January, 1904, No. 51.

Executive Order for the above Law, approved by Royal Decree of the 13th. March, 1904, No. 141.

Final Text of the Law on the Workmen's National Thrift Society for Infirmity and Old Age, approved by Royal Decree of the 30th. May, 1907, No. 376.

Dr. NAVARRA UGO: Gli Infortuni del lavoro nell'Agricoltura (*Accidents in Agricultural Labour*). Typo-lithographic Society, Florence, 1908.

Dr. BASSI SPARTACO: Gli Infortuni sul lavoro agricolo (*Accidents in Agricultural Labour*). Milan, 1909. Hoepli.

MAZZINI C. M.: L'assicurazione degli infortuni sul lavoro nell'agricoltura. Memoria letta alla R. Accademia dei Georgofili, il 3 luglio 1910 (*Insurance against Accidents in Agricultural Labour. Report read before the Royal Society of Agricultural Studies. on the 3rd. July, 1910*). Insurance Bulletin. Turin, 1910. Nos. 1, 2, 3.

MIRELLI G.: Un interessante problema intorno alla legge sugli infortuni dei contadini. L'assicurazione delle piccole proprietà (*An interesting Problem in connection with the Law on Accidents to Agricultural Labourers. Insurance of Small Properties*). Published in the Bulletin of Agriculture. Milan, 1910. Nos. 46 and 47.

BORRI LORENZO. Gli infortuni del lavoro sotto il rispetto medico-legale (*Accidents in Labour in their medico-legal aspect*). Milan, 1910. Publishing Society.

In response to a need felt by agricultural labourers generally, and to satisfy the desire expressed in several congresses, and recently also by the Superior Council of Labour, the Prime Minister and Home Secretary, Signor Luzzatti, in concert with the Minister of Agriculture, Signor Raineri and the Minister of Finance, Signor Facta, presented a bill on the insurance of agricultural labourers against accidents in their labour, to the Senate of the Kingdom, on the 5th December, 1910.

As this matter is of great social interest and the bill is highly important for all Italian agriculturists generally, affecting as it does the employers by the burdens it imposes upon them, and the workmen by the advantages it obtains for them, we think it well to reproduce it in full. We shall first resume the precedents in Parliament and in the transactions of the Societies, indispensable for understanding it clearly.

### § 1. *Legislative Precedents.*

#### I. *The Law in Force upon Accidents in Labour.*

The problem of accidents in agricultural labour was already attacked and partly solved by the law (Final Text) of the 31st January, 1904, no. 51, on accidents in industry. This law is the first step in this branch of social provision. Its application is indeed limited to rural labour involving the most serious dangers, either by its nature or by that together with the additional fact that more than five workmen are engaged in carrying it



out, or by the circumstance that it is performed by machinery. In conformity with this principle, the law imposes the obligation of insurance of agricultural labourers when they are employed :

(a) in number exceeding five, upon works of hydraulic improvement; on works of defence against landslips and of construction of mountain reservoirs; labour in connection with felling trees or cutting them up into logs and the transport of the same to the ordinary depositing sites on the banks of rivers or streams or in the neighbourhood of carriageable roads and their removal from the depositing sites into the rivers and streams (art. 1, no. 2);

(b) in number exceeding five, in manufacturing workshops (oil mills, wine-cellar, establishments for winemaking and the like), in which machines are employed, not directly moved by the labourer working with them (art. 1, no. 3);

(c) with no limitation of number in assisting in the working of machines set in motion by *inanimate* forces, or of their motors, when the machines serve for agricultural operations (art. 1, no. 4);

(d) assisting with cannons and other defensive apparatus against hail (art. 1, no. 5).

We see then that the larger number of agricultural labourers are unprotected by the law : in fact, the comparatively limited use of machinery in agriculture and the circumstance that in open air work, which agricultural work generally is, the use of machines, according to the law in force, entails no obligation of insurance, unless they are moved by *inanimate force* and that in any case the obligation is limited to the workman using the machines, leads to the following consequence, as the Ministerial Report observes : that, while the workmen occupied in agricultural work are much more numerous than those engaged in manufactures, the number of the former coming within the terms of the law is far inferior to the number of the latter, so that " Considering the number of workmen to be protected, the extension of the obligation of insurance, even to work performed without the aid of machines, is much more urgent in the case of agriculture than in the case of manufactures. " For this reason and with a view of accomplishing " an important act in favour of humanity and civilisation " the Italian Government has decided that there can be no further delay in the adoption of measures in behalf of so numerous a class of field labourers, " while limiting them, momentarily, to accidents entailing the gravest consequences. "

Let us add that the idea, sometimes expressed, that not only the pursuit of agriculture is not so dangerous as that of industry, but that even the number of accidents in agriculture is so inferior to that of those occurring in manufactures that there is no urgent need of providing for insurance against the former, is recognised nowadays as absolutely con-

trary to the facts. Leaving out of consideration, in fact, the continual increase being made in the employment of machines in farm work, which multiplies the number of accidents we find many disasters due to lightning, or consequent upon the tending of cattle, etc., which represent so many risks characteristic of agriculture.

2. *The Conti Bill on the Obligatory Insurance of Peasant Labourers against Accidents in their Labour.*

The Senator Emilio Conti, has made agricultural insurance the object of his special studies; the result has been a Bill presented to the Senate, for the first time on the 31st January, 1907, and presented a second time, with some alterations and a new text, on the 30th March, 1909. And since the present Ministerial proposal "only translates into act the initiative of Senator Conti, confirmed by the approval of the Central Committee of the Senate", although on certain points setting aside the proposals of the Committee itself (1), it is necessary to state the fundamental principles of the Conti Bill. They may be summarised as follows:

1. According to this Bill, the insurance of labourers on agricultural estates is "an obligation inherent in the proprietorship of these estates". (Art. 2). But this principle is not absolute; exception is made when the estate is given out on hire: because, in this case, the obligation and the responsibility of the insurance fall, on the contrary, upon the farmer who has undertaken the management and the working of the estate himself "without the proprietor deriving any profit therefrom".

2. Insurance is entirely at the cost of the proprietor if he works the estate, "directly for his own account"; it is at the cost of the tenant farmer if the estate is given out on hire.

For farms that are given out as *métairies* or for rent payable partly in kind, the cost of the insurance is divided between the proprietor and the *métayer*, or the tenant paying rent partly in kind, and the division is in equal shares if all the produce is divided in "perfectly equal halves", if all the produce is not divided in perfectly equal proportion, two thirds of the insurance premium is paid by the proprietor, and one third by the *métayer* or the tenant paying rent partly in kind (Art. 3).

3. The insurance applies, except for the exceptions mentioned in no. 4 hereafter, "indiscriminately to all" agricultural labourers, understanding, as such all peasant men and women, who, "permanently or temporarily

(1) The Central Committee of the Senate approved the Conti Bill, with some modifications, and presented its Report on the Bill, drawn up by the Senator Conti himself on the 30th April, 1910.

are engaged in work "of any kind", indispensable for the "cultivation of the soil and agricultural production, and the working of farms, including such labour, as, for reasons of affinity to, and connection with, farm production, can not be considered otherwise than as agricultural employments, and those also carried on *habitually or exceptionally in the houses, farms, dairies, oil mills, wine-cellars, cisterns, and any other kind of agricultural workshop* indispensable to the cultivation of the land and to agricultural production" (Arts. 6 and 7).

4. Insurance "is not obligatory" in the case of peasants of either sex of less than 13 years and more than 70 years, those that are employed on work already provided for by the law (Final Text) on accidents in industry will continue to be insured in conformity with that law (Art. 4. and 5).

5. Accidents causing, as their consequence, death or permanent disablement, absolute or partial, are only compensated for when the disablement is due to a wound produced by the labour (Art. 10).

6. Any accident must be reported to the owner of the estate or the farmer by the victim or by his family within the five days following that on which it happened; in default of such report within the term indicated the injury is considered as not having been produced while working (Art. 11).

7. The labourer, victim of an accident, is obliged, if the Insuring Institute so desire, to remain in hospital for the whole period necessary for the ascertainment of the cause of the accident, to hasten his recovery from it and to diminish the consequences of it: in case of unjustifiable refusal he loses all right to receive any compensation whatever (Art. 11).

8. The amount of compensation is 2,500 francs both in case of death and of permanent and absolute disablement: however, in case of death, the compensation is reduced to 1,000 francs, if the defunct was unmarried, or was not supporting a family, and it is assigned to his heirs (Arts. 15 and 25).

9. Request to have the decision as to compensation revised is only admitted on proof that the first decision was erroneous, or when changes due to the accident modify the physical conditions of the labourer, and such request can only be presented once after a lapse of three months from date of payment of the compensation, or, in the case of death, in the month following the death (Art. 17).

10. To obtain compensation, action must be taken within the term of six months from the date on which the accident took place as shown in the medical certificate or in the pretor's judgment (Art. 16).

11. The principle of liberty as to the choice of the Institution in which to insure is maintained, as admitted in the law in force upon accidents in manufacturing labour (Arts. 19 and 20).

12. The calculation of the insurance premium must be based upon the area of the farm, according to the different kinds of cultivation, which must be expressed and classified in the regulation for the execution of the law.

For small farms of an area of less than one hectare, the insurance premium is reduced to one half (Arts. 22 and 23).

13. The decision in disputes as to the nature or the existence of the consequences of the accident is reserved to a Board of Arbitration (Art. 24).

## § 2. *Some Precedents Furnished by the Societies.*

### 1. *Various Opinions and Votes.*

Before presenting the precedents supplied by the Societies, that is to say, the various steps taken by the Agricultural Associations and other institutions relative to insurance of persons engaged in agriculture, it will be well to make known the principal opinions and desires expressed in this connection of late years.

It is especially since the Conti proposal that the Press and the Rural Organizations have taken a lively interest in the matter.

In July, 1907, in fact, the Italian Farmers' Society invited the principal Agricultural Associations of the Kingdom to express their opinion on the Conti Bill. The answers were forwarded to the Central Committee of the Senate. These allowed of the conclusion being drawn that, in principle, the necessity or the utility of the law was recognised. Then, the Manager of the Genoa Agricultural Consortium, Signor Ugo Mazza, charged to report to the Permanent Committee of Labour on the subject of obligatory insurance against accidents, thought good to question all the Agricultural Comizi of the Kingdom, which are considered as the official representatives of agriculture.

And they were to a large extent favourable to obligatory insurance and many of them began an efficacious propagandism for this purpose. The following Societies also declared themselves in favour of the adoption of legislative measures appropriate to the purpose; the Agricultural Fraternity of Cavenago d'Adda, the Bergamo Agricultural Union, the Lombard Agricultural Society, which indicated the minimum compensations for the different kinds of accident, and the Interprovincial Federation of the Agricultural Associations at Bologna. Further, last year, the Friuli Agricultural Association, one of the oldest and most influential, made a quite special study of the subject of the extension of the obligation of insurance, and approved a motion containing the following desiderata:

That in applying the obligation of insurance to the agricultural labourers special consideration should be taken of those Regions where Agriculture neither provides the means of subsistence for the landowner nor for the labourer;

That in any hypothesis the premium must be in proportion to the real risk "and not only considered in relation to the cultivation; that the premium with relative liability must be paid: *a*) by the landowner in case of farms cultivated for his own account: *b*) by the proprietor and the tenant, in varying degree, for farms held by *métayers*, and by farmers paying rent partly in kind, etc; *c*) by the tenant in every case in which it is agreed that the rent be paid in money;

That the State must intervene with grants of complementary subsidies in favour of the small landowners and small tenant farmers.

We have wished to record these desires because they are granted, in principle, in the present bill, except as to the proposal of subventions from the State. This proposal was not accepted because it was considered that, "the charge inherent in the professional risk, just as all others incident to the exercise of the undertaking or the industry, should be borne by the exerciser of it himself," as may be read in the Ministerial Report.

Finally, the 2nd Southern Agricultural Congress, held in Naples from the 26th. to the 30th. November last, with reference to the subject treated by Prof. Luigi di Franco, on "the Obligatory Insurance of Agricultural Labourers against Accidents", expressed the desires we have already reported in the 3rd. Number of the Bulletin, p. 378, to which we refer our reader. And we must not forget that the National Committee for Agricultural Mutual Insurance (1) held a special Congress in the month of February, for the same purpose. Signor Ottavi, President of the Committee, after having, in his circular convoking the Congress, referred to the examples we are going to mention of Vercelli, Florence and Milan, concluded as follows: "while we wait for the law which is to render insurance general and obligatory, the Committee has thought fit to put before the farmers the problem of mutual accident insurance, in the completest form, sure in so doing to be accomplishing a good and useful work".

## *2. Initiatives taken by Agricultural Societies and other Institutes.*

We have already drawn our reader's attention, in the 1st. number of the Bulletin, in pp. 298, 299 of the Monograph on the "Present State of Agricultural Co-operation in Italy" and at p. 345 of the Recent News, to the

(1) We have spoken of this Committee, which has its headquarters in Rome, in the 1st. Number of the Bulletin, p. 301.

new movement of proprietors and farmers in the direction of the foundation of special Insurance Institutions for Agricultural Labourers. We then said that this interesting social movement could be in part accounted for by the obligation of insurance in force for certain classes of labour, which we have already mentioned and by the need of the capitalist class to prepare itself for the legal liabilities possible, and in part by its interest to precede the work of the law.

The senator Conti, who has followed this tendency of the masters of farms, with special attention, mentions in his report how the Lodi Agricultural Comizio interested itself in favour of the insertion, in the new contract for agricultural colonies, of a clause to the effect that provision should be made by means of insurance for cases of permanent or temporary incapacity or death of the peasant. The Brescia Agricultural Comizio has done the same, and the same has been done in the province of Cremona where a special Consortium has been formed among the landowners; further, it is the general use in the arrondissement of Lodi to insert in contracts of lease the condition that the peasants must be insured and that the expense of this must be borne by the landowner and tenant.

An attempt has been made to extend this insurance organizing it *in a mutual form* among the land-holders and their tenants. We shall limit ourselves to giving a few general indications as to those organizations which originated in Italy with the "Association among the Vercelli Farmers" which, in 1902, that is to say, before the law of the 29th June, 1903, no. 243, which imposed insurance in the case of certain classes of agricultural labourers, instituted the Vercelli Mutual Society with the adhesion of numerous farmers who, in this way, guaranteed compensation, in case of accidents, to their own subordinates.

The Society began working on the 1st. June 1903, and provided for the guarantee of 15,000 workmen at a total wage of 3,000,000 francs; when the abovementioned law was passed, in order to be able also to undertake the obligatory insurances, according to the provisions of this law, it transformed itself into a "Consortium Fund" and was recognised by Royal Decree of the 10th. August, 1904, on the basis of Rules which gave it the power of extending its action even to rural enterprises, not subject to the obligation of insurance, by the terms of the law mentioned. The society provides for the payment of compensation in case of death and permanent incapacity, absolute or partial, for all labourers, fixed or temporary. It also gives compensation in cases of *temporary* incapacity, but limiting itself to labourers, victims of accident while occupied in works for which insurance is obligatory. But in the case of long and serious temporary incapacity, the society grants special subsidies. At first it only exercised its action in the arrondissement of Vercelli, and then it exten-

ded it, little by little, to the arrondissements of Novara, Lomellina, Biella, Casale Monferrato, and Abbiategrasso.

We must also mention the "Mutual Society of Proprietors of Rural Estates in Tuscany for Insurance of Agricultural Labourers against Accidents in Labour," having its headquarters in Florence. It was instituted in December, 1908, on the initiative of the Florence Agricultural Comizio, and, authorized by Royal Decree of the 25th February, 1909, it commenced operations on the 5th April of the same year. Its organization is analogous to that of the Vercelli Mutual Society. It insures all the staff of the farm employed in any way in working the land, or on buildings, in workshops, with machines, etc. It extends its action throughout Tuscany.

Following the example, of the two Societies of Vercelli and Florence, a third was created at Milan, on the 21st May, 1910, called "The Lombard Mutual Insurance Society against Accidents in Agricultural Labour" and a fourth, under the title of "The Piedmontese Agricultural Mutual Insurance," was constituted at Turin, on the initiative of the Piedmontese Agricultural Mutual Insurance Society. Finally, another "Consortium Fund" was founded at Bologna, on the 21st April, 1910, under the title of "The Agricultural Mutual Society for the Insurance of Agricultural Labourers;" its creation was favoured by the Interprovincial Agricultural Federation already referred to: it is, however, not yet legally recognised.

In the last place, we shall observe that almost all private insurance companies, authorized to accept the obligatory insurances, by the law in force on accidents also undertake the insurance of agricultural labourers not contemplated by the law itself; and they have contributed, with the help of the means for propagandism at their disposal, to extend among the large proprietors and the farmers the system of insurance of all agricultural labourers.

These examples of free and private initiative and others yet that we omit, for want of space, show that the time is already ripe in Italy to approach the important social problem of agricultural insurance and to give it legislative solution.

### **§ 3. *The Studies of the National Labour Office and the Conclusions of the Superior Council of Labour.***

In presence of the social movement in favour of insurance of the field labourers of which we have just spoken, and in presence of the activity displayed in this connection by numerous institutions and the desires expressed by several congresses and unions, the Permanent Committee of Labour already interested itself in this problem in its sittings of the 5th, 6th and 7th December, 1908. And after a first examination it affirmed, in a special Report, presented by the Councilor Mazza, that as mentioned

above, that obligatory insurance against agricultural accidents must be arrived at by means of provisions contained in a "special law". It further charged the National Office of Labour to present, with the briefest possible delay, to the committee itself, the necessary elements for the elaboration of proposals with regard to the matter. The Office then entrusted Signor Arnaldo Agnelli, an advocate who is a specialist in the matter, to collect and publish them in a special report. This has been done: this report examines the following fundamental points:

(a) the suitability and the possibility of extending to agricultural labourers, in the matter of accidents in labour, the protection that the law of 31st January, 1904, grants to the workmen in a large number of industries, of which some are of agricultural character;

(b) the methods of practical application most to be advised, with regard:

to the actual condition of agriculture in Italy;

to the characteristic forms of agricultural contract and of the accidents in agricultural labour;

to the institutions and general principles of our legislation and to the special law already in force for accidents in industry;

(c) the financial, economic and social consequences of the projected extension and, especially, the burden on national agriculture which will derive from it

We can now, for want of space, summarise this important study, we shall limit ourselves to observing that it has removed many objections and many prejudices, thus preparing the way for the legislative solution of the problem. Since then, the Superior Council of Labour, in the sitting of the 27th February, 1910, basing its action upon the Agnelli Report and the Report of Profs. Tullio Bagni and Ezio Boggi upon the cost of insurance, and upon another of the Permanent Committee of Labour, accepting, in principle, the conclusions of this latter, has approved the following propositions which we report in full, even in the part dealing with insurance against sickness caused by labour, which is extraneous to the present bill:

1. Extension of the obligation of insurance against accidents in agricultural labour by means of a special law.

2. Insurance must apply to all agricultural labour and consequently all agricultural labourers must be insured.

3. Inclusions in the law on insurance against agricultural accidents of all the articles of the law (final text) of the 31st January, 1904, and of the Executive Regulation (1) in connection with it, that may be adapted to the law, with the modifications necessary.

(1) This Regulation was approved by Royal Decree of the 13th March, 1904, no 141.



4. The burden of the insurance:

(a) must be borne entirely by the proprietor in case of lands cultivated for his own account;

(b) it must be shared in different degree, but always with the larger portion to be borne by the proprietor, in lands given out as *métairie* or to tenants paying rent partly in kind: and in the case of lands leased where the tenant farmers cultivate the land themselves, with their own hands;

(c) it must be borne by the tenant farmers in the case of leased lands. The proprietors will be responsible for the observation of the law by the farmers.

5. With regard to the accidents to be compensated for, limitation, for the moment, of insurance to cases of death, and permanent incapacity, reserving for further study the extension to cases of temporary incapacity of long duration, while desiring that accidents causing incapacity of short duration be excluded; except for the determination as to which are the most serious among these last, and to be included in the insurance, with equality of treatment in the case of industry and agriculture. In every case those will be included which cause the loss of a third of the period of the duration of the labour.

The accidents excluded from insurance must be included in the insurance against sickness, which will be organized on special grounds, and will include all infirmities not contemplated by the insurance against accidents.

The Mutual Aid Societies adhering to the National Federation, that have organized their rules and regulations in accordance with the best technical prescriptions, and give serious guarantee of a good administration, without, however, engaging their moral action, which must remain completely independent, will be specially invited to lend their assistance and collaboration for insurance against sickness.

In consequence, demand made to the Committee immediately to commence studies for the introduction into Italy of obligatory State Insurance against maladies of Labour.

6. Compensations are fixed at the following amounts:

	Men	Women	Children
	frs	frs	frs
In case of death . . . . .	2,000	1,000	500
In case of permanent and absolute infirmity . . . . .	2,500	1,200	1,200

A widow, supporting a family, shall have right to the same compensation as a man.

7. The obligation to keep registers of pay and staff registers is abolished (1).

8. Premium to be calculated on the area of land and the extent of cultivation.

9. With regard to the matter of free or State insurance, the Council has decided nothing, judging that as the subject is still under study, it was not advisable to take any decision. It has, however, recommended, that if free insurance is admitted, the State should intervene with complementary contributions, to help the small proprietors to bear the burden of the insurance.

We have thought it necessary to publish the conclusions of the Superior Council of Labour, not merely on account of its authority in economic and social questions, but also because immediate account has been taken of it in the present Ministerial Bill.

#### § 4. *The Ministerial Bill* on "*Accidents to Agricultural Labourers in their Work*".

It appears clearly from all we have just said that public opinion in Italy is now prepared for the idea of general obligatory insurance of agricultural labour. This established, we shall present the main outline of the present bill, referring our reader to the text itself of the bill as far as each special provision is concerned.

The fundamental points of the problem may be reduced to the four following.

1. Limits of the application of the law;
2. System of compensation;
3. Persons charged with the cost and apportionment of the cost of insurance;
4. Organization of insurance

For greater clearness we shall treat each of these points separately

(1) This obligation exists for accidents in manufacturing labour, as to these, the compensations being in proportion to the earnings, it becomes necessary also to proportion to the wages the premiums to be paid to the insuring institute, and, consequently to prescribe the obligation to keep special books up to date, that is, a staff register and a pay register, to enter in the first the name, place and date of birth of each workman, the date of his entry and leaving the service, his professional class, his habitual occupation and daily wage, and to register in the second for each labourer, and daily, the hours of work performed the day before, and within three days from the date on which payment of wages is made, the amount of these wages.

### 1. *Limits of the application of the Law.*

In the first section we indicated the agricultural labour, for which, according to the law in force upon accidents, obligatory insurance already exists. The same provisions will continue to apply to them (1). The protection of the law is now to be extended beyond those limits. The Government has not considered that it ought to make distinctions in the matter, in respect to the different kinds of labour and of cultivation, as positive principles for its guidance are wanting and because of the risk that would be run of making "unfair exclusions"; the rather, as the Ministerial Report points out, that, in distinguishing between different kinds of labour and of cultivation, in order to limit the obligation of insurance to some only, whilst on farms labourers execute together or alternately, now one, now the other, "would be opening the door freely to abuse and fraud on account of the ease with which accidents might be represented as occurring in the execution of work subject to obligatory insurance when, on the contrary, they had really taken place in another class of labour".

The bill, then, applies generally to all labourers employed, in any number, in agriculture and forestry work, understood in the widest sense of the terms, that is to say, including not merely the cultivation of the land and of the forests, but all operations of preparation, preservation, transformation and transport of agricultural produce, and all industries (2) connected with or economically dependent upon agricultural or forestry enterprise, such as threshing, winemaking, the treatment of fruit, the manufacture of dairy produce, bee-keeping, sericulture and the like (art. 1).

Provision must also be made for insurance when the farms are worked directly for the account of the State, the Provinces, the Communes or Consortiums, or when they are given out by them on lease, or in *métairie*, or to tenants paying rent partly in kind (art. 6).

(1) Some specialists in the matter would have wished the bill also be applied to the agricultural labour already dealt with by the law in force upon accidents in industrial labour; that is to say, that the provisions with regard to the domain of agricultural accidents should form a "single organic whole". But that did not appear opportune to the Government for the principle reason that the present bill, both in what concerns the determination of accidents giving right to compensation, and in what concerns the amount of compensation given, contains provisions different and less favourable than those contained in the law upon accidents in industry generally; and "it would not be just, out of a desire for simplification, to deprive a class of workmen of benefits, which have been conceded to them by a law, now of long standing, in order to submit them to a legislative system, less advantageous for them".

(2) The attempt to enumerate the industries in connection with agriculture and forestry, contemplated in the bill, has been abandoned in favour of a general formula.

The only exemption from the obligation of insurance is for the owner "who as a rule cultivates his own land himself, or with the exclusive aid of his family" (art. 3). And that for several reasons: both because the expense might be too heavy for this class of farmer and because the extension of the law to small farming proprietors "would entail great difficulties in its practical application"; and lastly, for the reason that neither the law in force upon accidents in industry nor the present bill compels the landowner or the farmer to insure himself, if he take part himself in the material execution of the labour, but leave to his free initiative the accomplishment of this act of foresight.

As a labourer is understood: "whoever permanently or temporarily, on fixed wage or by contract, participating in the profits or in the produce, or even without remuneration (1), is employed on agricultural or forestry work; whoever, in the same conditions, even without sharing materially in the work, supervises the work of others, provided that his fixed salary be not above 7 francs per day". Exception is made for those under the age of 9 years or over that of 70: the future law shall not apply to them. These limits of age are justified because it has been found that the greater frequency and seriousness of accidents to labourers either too young or too old "depends principally on the personal physical conditions of these labourers, rather than on the greater risk inherent in the labour performed by them." The danger of simulation and fraud is also very grave in both cases.

## 2. *System of Compensations.*

### a) Accidents to be compensated for:

The law in force on accidents to industrial workmen admits the right to compensation in case of death, permanent incapacity, both absolute and partial, and temporary incapacity absolute and partial, for a period of more than five days. Similar provision has not been proposed for agricultural accidents: that is to say, that *temporary* incapacity has been excluded from the bill, because if it were also included, observes the Ministerial Report, "the burden of the insurance would be seriously increased", not only by the considerable number of accidents producing such incapacity, but principally "through the considerable expenses that they entail, especially in medical examinations. These expenses, high enough in the case of manufacturing workmen, become very burdensome in that of the agricultural labourers working scattered about in the country at points remote from in-

(1) Among labourers are also included, those working without remuneration, because it often happens that *métayers* of neighbouring farms lend each other mutual help under certain circumstances, without remuneration, and it is desired to extend the protection of the law, to the *métayers*, even when working without recompense.

habited localities". Add to this also that temporary incapacity "lends itself more easily to simulation". For considerations similar to these, a limit has also been proposed in the case of permanent *partial* incapacity: there are, in fact, accidents which "although they entail an anatomic loss in the person and an impaired working of the members do not constitute real economic injury". For these reasons there are only included in the insurance, among the accidents causing permanent partial incapacity, those for which, according to article 95 of the Executive Regulation of the Law on industrial workmen, the co-efficient of the reduction of the working capacity, and consequently of the wage, is above 20 %.

The wounds not necessitating compensation, that is to say, entailing a loss of working power of less than 20 %, are particularised as follows in article 95 already mentioned:

Total loss of the second phalanx of the right thumb	15 %
» of the second phalanx of the left thumb	12 %
» of the left forefinger	15 %
» of the little finger	12 %
» of the middle or the ring finger	8 %
» of a phalanx of a finger	5 %
Loss of the great toe and the corresponding meta-	
tarsus	15 %
Total loss of the great toe alone	7 %

In conformity with the principles shown above, article 7. of the bill provides that.

«Insurance is obligatory for all cases of wounds due to accident produced by any *violent cause* during labour, and entailing as its consequence death or a permanent absolute or partial incapacity, the latter of a degree exceeding 20 % ».

This article corresponds with the conclusions of the Superior Council of Labour, which we summarised in section 3.

#### (b) Measure of compensation.

The question that presents itself after the accidents to be covered by insurance have been indicated, is that of the measure of compensation.

The law (final text) in force upon accidents in industry in art. 9, establishes the compensation for cases of permanent incapacity or of death, as a multiple of the annual earnings.

The compensation being determined upon the basis of the earnings, the necessity follows of also proportioning to the salary the amount of the premium to be paid to the Insurance Institute and consequently the obligation to keep special registers posted up to date, giving account of the working days on which the labourers work and the amount of wages corresponding.

But this system presupposes an entire book-keeping and administrative organization that it would be vain to expect in the variable conditions under<sup>a</sup> which agricultural work is accomplished.

That is why, the present bill, just as that of Signor Conti, and in conformity with the decisions of the Superior Council of Labour, has substituted the system of compensation in proportion to salary by that of fixed compensations; but while establishing fixed amounts it takes into account the different earning capacity dependent upon sex and age.

The compensations proposed are as follows (art. 11):

.1) In case of death:

A sum of 2,000 francs, if the victim of the accident is an adult workman;

A sum of 1,000 francs, if the victim of the accident is an adult woman;

A sum of 500 francs, if the victim of the accident is a child of either sex.

For the purposes of the future law, labourers of either sex, above fifteen years of age are considered as adults; the others, between nine and fifteen years of age are considered as children.

B) In case of *absolute* permanent incapacity:

A sum of 2,500 francs, if the victim of the accident is an adult workman;

A sum of 1,200 francs, if the victim of the accident is an adult woman or a child of either sex.

b) In case of permanent partial incapacity the compensation shall be that established for permanent absolute incapacity, reduced in the same proportion as the working capacity is reduced. As we have already said, no compensation is due if the percentage of reduction of working capacity is 20 or less than 20.

Finally, if the victim of the accident is a widow supporting a family, compensation shall be paid in the same measure as that fixed under the letters A, B, C for accidents the victims of which are adult men

### 3. *Persons charged with the Cost and Apportionment of the Cost of Insurance.*

The expense of the insurance must be borne entirely by the proprietor, or the tenant on long lease, farming on his own account; entirely by the lessee, when the lands leased are relatively extensive, and the lessee is a person devoting himself to the cultivation of these lands, with money belonging to him, or of which he has the disposal in any way, with labourers engaged and paid by him, and with the intention of deriving from the farm an adequate profit on the capital expended upon it; that is to say, when the lessee has the "legal and economic character of master of the

farm". On the contrary, for farms in *métairie*, or given out to tenants paying rent partly in kind, or in similar cases, three fifths of the expense must be borne by the party giving out the land in *métairie* or on lease partly to be paid in kind, and two fifths by the metayer or the lessee; these same proportions are also applicable in the case of lands given out on hire when the lessee cultivates the land so let himself, usually alone or with the help of his own family and only occasionally with the assistance of other persons. (art. 9).

An approximate calculation has been made of the pecuniary burden that the system of insurance proposed will impose on property and agricultural economy. And, for a total number of about 7 millions of persons insured it has been calculated the cost will be twelve and a half millions of francs.

A further study has been made with regard to the frequency of accidents: this is the most delicate and the most difficult enquiry, given the paucity of existing statistics. Omitting, for greater brevity any account of the process followed, we give the conclusions shown in the Report itself which precedes the bill. The annual cost for the insurance of 1,000 individuals is 409 frs. for risks of death, and 1,400 frs. for those of permanent incapacity, say, altogether, 1,800 francs. The cost amounts to 1,800,000, for a million persons insured and to 12,600,000 francs for seven millions, the approximate number of agricultural labourers.

Finally, the Minister of Agriculture addressed himself to the Department of Agricultural Statistics for a reply to the question whether the burden of the insurance is too heavy for the present conditions of the national agricultural economy; and it appears from the researches made by this office that the value of the gross Italian agricultural and forestry production is 6,816,000,000 francs or 259 francs per hectare. Deducting from this the gross production obtained on small properties cultivated by the proprietors themselves, and excluded from the application of the law the above mentioned burden does not amount to 25 per cent of the gross production. The Minister, on the strength of these calculations, concluded that it may be affirmed that "the burden is far from being very heavy or insupportable for Italian agriculture, the sacrifice demanded of the Italian landowners being far inferior to 1 % of their nett revenue and perhaps  $\frac{1}{2}$ ".

#### 4. *Organization of Insurance.*

The bill retains freedom of choice with regard to the Insuring Institution, a principle already accepted in the law upon accidents in industry, and, in the same way as the latter, it permits the masters of farms or the undertakers of forestry work, to become "self insurers", either by the foundation of private societies or by association in mutual insurance consortiums. The necessary measures have been taken that the institutions it is intended to constitute offer guarantees of vitality and solvency; and it is proposed to take as a criterion of their importance, the area of

land possessed by the members and included in the insurance: in the Regulation it will be laid down what is the minimum of this area required for the legal recognition of the institutions themselves and the amount of guarantee that must be provided.

Certain special powers are left to the Societies and the Consortiums to be formed: that is to say, power also to undertake the insurance of labourers employed in the agricultural works provided for by the law upon accidents in industry, in order to avoid the necessity of the masters having to treat with two different Institutions for the insurance of their staff; to pay compensations superior to those established in the bill in case of death and permanent incapacity, and also a daily compensation to labourers rendered *temporarily* incapable of working, by reason of accidents. "This insurance of subsidies for *temporary* incapacity will even be an experiment" - we read in the Ministerial Report - "that the Consortiums may make prudently and with the necessary precautions after some years of working". With the object of encouraging and rewarding this experiment, it is proposed in article 38 to grant subsidies to the Institutions attempting it. The private societies and Consortiums may, further, on certain conditions, reinsure a part of the risks they shall assume (art. 16).

The adoption for the determination of the premium and for the technical organization of the insurance the rules best answering to the conditions of the agricultural undertakings, is left to the initiative of the Insurance Institutions.

And since as we have just said, the bill does not render the compensations proportional to the earnings, but establishes them as fixed amounts, "it is not necessary, for the determination of the insurance premium, to take count of the cost of labour, but of its quantity and the different risks inherent in the various descriptions of agricultural labour and these elements are indicated by the area of the land and the class of cultivation". The bill establishes, then, as a general principle, that the premium must be fixed on the basis of the area of the land and on the cultivation, leaving the Executive Regulation to determine in what cases and under what conditions a different system may be applied.

The bill also contains provisions for the elimination of possible frauds and the punishment of intermediary agents. The decision in disputes as to the right to compensation and the determination thereof rests with the ordinary Magistrate of the locality in which the accident took place.

The general approval with which the proposal of this law has been received, even by the class of employers, permits us to foresee that it will soon become the law of the State and that its application will be without serious difficulty.

As we have said we shall publish the text itself in the next Number of the Bulletin.



## II. — CURRENT NEWS.

### 1. Legislation and Intervention of the State in Questions of Agricultural Insurance.

**1. Agricultural mutuality (Mutual insurance) at the superior Council of Agriculture.** — The Minister of Agriculture has convoked the Superior Council for the end of the month of February. Amongst the questions on the order of the day is the one concerning "Agricultural mutuality in regard to insurance against *damage caused by hail and by the death of cattle*". Dr. Ottavi, President of the National Committee for Agricultural Mutuality, is the writer of the report, and in it, after giving extensive information and ample comparisons in regard to everything that has been done in Italy and abroad on this subject, he proposes that the Council of Agriculture declare the necessity for a more resolute action with regard to the rural mutualistic movement, at the same time expressing the following suggestions:

1) That a first fund for subsidies to agricultural mutual insurance companies be inscribed on the Agricultural Budget.

2) That the formalities for the legal recognition of the so-called mutual societies be decreased, and that the fiscal exemptions asked for by the Mutual Societies' Congress at Reggio Emilia be granted (See the 2nd No. of the *Bulletin*, 1910, p. 117).

3) That the State exemptions and subsidies be granted only to the mutual societies which have provided for the *reinsurance* of their risks, which are federated, and which, consequently, have not to be *revised* by the Federation to which they are affiliated.

(Summarised from the *Corriere della Sera*, No. 36, Milan, Feb. 14, 1911).

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**2. Discussion and proposals for hail insurance before the Council of Thrift at the Ministry of Agriculture.** — The "Acts of the Council of Thrift and Social insurance" (1), recently published by the Ministry of Agriculture,

(1) Annals of the Credit and Savings Bank, n. 84, 1910. Registers of the Council of Thrift and Social Insurance, 2nd Session, Ministry of Agriculture, Industry and Commerce. General Management of Credit, Thrift, Co-operation and Social Insurance. Rome, 1910.

gives the discussions which are taking place before the Council (2nd 1910 Session) in regard to insurance against damages caused by hail. We have already stated, in the first number of this *Bulletin*, p. 302, that the Council had decided in this connection to suggest to the Government the foundation of a mutual insurance Institute in Italy, subsidised and supervised by the State, on the lines of that already in existence in Bavaria. Meanwhile, taking the reports of the sittings as our guide, we will resume the study of the important discussion in which the chief characteristics of the proposed Institute were fixed and in which the suggestion was put forward.

The writer of the Report, Mr. E. Cavaliere, begins by saying that the point of departure of the studies which have been made on this question by the special Commission nominated for the purpose was that of the "raising of the tariffs" by the Companies in Italy, an increase which one never meets with abroad, and which prevents this form of insurance from "developing in proportion to the entity of the harvest". The reason for the higher price of insurance premiums in Italy is to be found in the fact that the insurance business there is so much smaller. In order to find out the reasons for this poverty of insurance business, a comparison must be made between Companies with a capital and Mutual Insurance Companies, especially if we are to discover whether the deficiency is due to the organisation of the insurance institutions. But this comparison does not give any positive indications as to which type of Company is preferable, "mainly because it is rarely that a Company which has been started on the mutuality system retains the principle with the development of its operations, the conditions of the struggle in the midst of which it has to live forcing it to a series of successive compromises which draw it little by little from its primitive organisation and change its constitution and character". On reaching this point, the writer asks whether insurance will have to be made *compulsory* in Italy in order to obtain the desired increase.

An immediate reply in the negative is given to this question, however, "considering that there is no compulsion in the countries where insurance is most diffused". The system of State insurance was not favourably received, for two reasons: first, because the conflicting interests between the undertaking and the insured persons are so numerous and so serious that "a succession of shocks and discussions would result from them which are not in the nature or ends of the relations between the State and the citizens"; and secondly, "another cause of weakness" is that there is a large number of employees in any State Institution who are *not interested in the administration*.

There being insufficient data, therefore, to suggest a solution of the problem of the increase of hail-insurance in Italy, it would be as well to study the empirical solution which has been given to this problem in

other States that were in the same condition as Italy. Examples are not lacking: among others there is that of Bavaria. The writer of the Report mentions in this connection that a Mutual Society was instituted in this country which is able to keep as such owing to State subsidies; it is under State supervision. By this system, he points out, none of the existing forms of insurance are banished, no monopolies or obligations are created, and it becomes the direct interest of those insured to manage their own institutions themselves in the best way possible. The Communal Authorities are at their disposal for the purpose of collecting, without expenditure, all declarations of damage and claims for compensation and sending them to the Central Direction. If it is desired that something similar be instituted in Italy, as proposed, the writer maintains the advisability of utilising the Itinerant Agricultural Instructorships, of which there are already 300, as "by their very nature they seem to be the natural vehicles for the diffusion of agricultural insurance." The Vice President of the Council, Prof. C. Ferraris, who is also in favour of the creation of an Institute analogous to the Bavarian one, opened the discussion on each of the principal characteristics of the latter, which, as will be seen, include fundamental principles such as mutuality, freedom of insurance, etc. The Councillors, Messrs. Grimaldi, Garibotti, Gobbi and the writer of the Report, took part in the discussion, which was concluded by the general approval of the characteristics, drawn up as so many formulae, which comprise the principles on which the Italian Mutual Hail Insurance Institute must be based.

The formulae are given below:

1. The Institute must be mutual, with free insurance.
2. It will not enjoy any profits itself, the whole of them belonging exclusively to the members.
3. The premiums will be fixed and there will be no compulsory supplementary premiums, with the contingent reductions of compensation in unfavourable years.
4. The premiums will only be collected in October, after the harvest, and they cannot be increased on account of delay in payment.
5. The Institute to be created will have the least possible management expenses.
6. The active surplus will become the property of the members, in the form of a reserve fund.
7. The ordinary insurance mediums in the Mutual Institute will be the holders of the Itinerant Agricultural Instructorships.

In addition to farmers in particular, local institutions may also be accepted, and will be inscribed as members in a collective form.

8. The great importance of the constitution of a body of experts for the estimation of damages being acknowledged, the question is to be

studied with the object of adapting it to the aims of the new Institute and the special conditions of Italy.

9. The expenses of estimating damages will be charged to the Institute except in cases where it appears that, contrary to the declaration, the damage is not more than 6 % of the sum assured.

10. Declarations of damage will be accepted until March 1st.

11. The Institution will be subsidised by the State, and no farmer can be refused insurance, therefore, subject to the adoption of a suitable tariff. The State must also nominate the administrators and supervise the Institute, as it does in the case of the autonomous Institute of the National Savings Bank.

The fundamental lines on which the new Institute is to be based have thus been fixed by the Provident Council, and the High Assembly sees in it the "best and perhaps the only means" of sensibly increasing the mass of insurances and consequently bring about the desired reduction in the tariffs. In this conviction, the Council proposes the creation of the Institute to the Government.

3. **Compulsory insurance against Agricultural labour accidents.** — A meeting was held at Milan on January 26th, at the headquarters and on the initiative of the Agricultural Bureau of the "Société Humanitaire", for the purpose of discussing the Bill on compulsory insurance against agricultural accidents. The meeting, affirming the right of the peasants to a law protecting them in case of accidents, and the urgent need that this law be sanctioned as soon as possible, voted unanimously an order of the day maintaining :

1) the necessity for the insurance obligation to be extended equally to small proprietors ;

2) that the limit of 70 years suggested by the Government project for the acceptance of peasant insurance, should be suppressed ;

3) that infectious diseases contracted by contact with animals and the soil (anthrax, aphthae, tetanus, etc.) asphyxia, sunstroke, frostbites, injuries and death from thunderbolts, and other similar misfortunes, be considered as trade accidents ;

4) that compulsory insurance be extended also to accidents causing *temporary* disablement, with a 15 days absence from work ;

5) that in regard to *partial* permanent disablement, those disablements which decrease the capacity for work by 10 % only be also taken into consideration ;

6) that when the question is one of a rented property (with the exception of small properties) the insurance premiums ought not to be

charged entirely to the tenant, as the Bill proposes, but half to the proprietor ;

7) that when the property in question is on the metayage system or is a settlement where part of the produce is given as rent, or is a small rented farm or a collective rented property, the insurance premiums should be entirely charged to those who have let the properties.

According to the decisions of the meeting, the measure of compensation ought to be as follows :

a) in the case of death or permanent absolute disablement, 5 and 6 times the annual wage respectively, when the wage is given on a written contract or work contracts or agreements. In any case it must never be less than Fr. 2,000 for a man, Fr. 1,000 for a woman and Fr. 500 for a child in the case of death ; and Fr. 3,000 for a man, Fr. 1,500 for a woman, child or old person, in the case of permanent absolute disablement ;

b) in the case of temporary disablement, Fr. 1 compensation per day must be given for men, and Fr. 0.50 for women, children and old people.

(Summarised from *La Cooperazione Italiana*, Milan, No. 916, Feb. 4, 1911).

## 2. Operations of Agricultural Insurance Institutions.

**Fire Insurance in Italy in 1909.** — Before giving some comprehensive data on Fire Insurance in Italy in 1909, we must state that these data have been taken from the Balance Sheets published in the Official Bulletin of the Share Companies (insurance section) (*Bollettino ufficiale delle Società per azioni*), published by the Ministry of Agriculture, Industry and Commerce. We must also point out that, in order not to complicate the administrative organisation, it is not customary with insurance Institutions to make a distinction between urban and rural risks. The information that we give, however, will be very useful all the same. It concerns 22 Institutions which were operating in Italy in 1909, the greater number of which were Anonymous Companies and the remainder Mutual Societies.

### a) *Business done in 1909.*

The new fire insurance contracts given by these Companies in 1909 amounted to more than 8 billion francs (Fr. 8,369,389,416) sums assured, and there were more than 10 millions (Fr. 10,128,602) of premiums collected, which is equal to an average rate of 1.22 per thousand. These figures refer to the *new* business, that is, the business done by each Company during the year 1909, as we have already said. The renewals of lapsed policies are also included in this *new* business.

In comparison with 1908, these figures show a decrease of about 25 millions in the sums assured, and an increase of 202 thousand francs in the premiums.

The Companies which show the highest average of sums assured and of premiums collected, are those which take the greatest number of *agricultural* and *industrial* risks: They have higher tariffs, however, on account of the greater likelihood and frequency of fires.

The most important business in 1909 was done by the "Assicurazioni Generali" the "Riunione Adriatica" and the "Fondiarìa". Amongst the new Companies, mention may be made of the "Società Italiana", the "Società Provvidenza" the Société Anonima Generale", etc.

#### b) *Current business.*

As to the general movement of current business, it is noticeable that the sums assured, which were 35 billions in 1908, rose to 36 billions in 1909. After the « Società Reale », the « Riunione Adriatico » and the « Società Generale » the greatest increase of business was made by the « Società Milano » the « Società Anonima » of Turin and the « Fondiarìa ». It must further be noted that a certain number of risks figure twice in the lists, in consequence of the re-insurances exchanged between the Companies, so that, out of 36 billion francs assured against fire, a third is due to transfers between the Companies, the *actual sums assured* directly by the public being therefore a sum total of about 24 billions.

#### c) *Premiums and claims, expenditure and taxes for 1909.*

The collection of premiums for 1909 reached a total of fr. 45,727,156. More than 26 millions, that is, a percentage of 58 %, than 58 %, had to be paid out for claims, as in 1908. If the expenditure be compared with the premiums, and the percentage made, it will be seen that for the big Companies this percentage was about 25 %, for foreign Companies, which have double expenses, 36 %, and for the young Companies, or those which have only recently been authorised to operate in Italy, 70 %.

The taxes bearing on Fire Insurance Companies amount to about 6 million francs, those, that is to say, which concern insurance and industrial benefits. If at the same time we calculate those taken from incomes, bonds, etc. and also the taxes on house property owned by the Companies and the income and working taxes paid directly by the agents of the Companies, we find that the fire insurance business brings a sum of about 10 million francs yearly to the Treasury.

To sum up, the *approximate balance sheet* of the *financial year 1909* for the *fire branch*, was :

Percentage of claims. . . . .	58
» of expenses. . . . .	27 •

The profit for the 22 Companies, the share-capital of which, placed in industry, is more than 50 million francs, was therefore 14 % during this period, and this amount was reduced to half by taxes, depreciations, and the bankruptcy of certain of the persons insured.

(Summarised from *L'Assicurazione* (Insurance) Organ of the Companies, Rome, n. 638, Jan. 16-31, 1911).

### 3. Miscellaneous Information.

1. **Insuring grapes against damage by hail The Stradella Meeting.** — A meeting of farmers took place at Stradella on January 15th, at which several mayors from the provinces of Pavia, Placencia and Alessandria were present; the object of the meeting was the discussion of the most efficacious means for solving the problem of insurance against hail in the wine-growing districts. Dr. Luigi Montemartini wrote the Report of the meeting, and it was, in fact, due to his initiative that it was held. In an article which appeared in the *Giornale vinicolo* (Journal of Wine-growing) N. 6, February 5th, 1911, he explained the various proposals examined at the Stradella Meeting as follows :

1. The institution of a great Mutual Society amongst the vine growers of Piedmont, who would have to pay a fixed sum every year for each *pertica* (about 600 sq. m.) of vineyard (from 40 per cent to 1 franc according to the productivity of the vineyard and the frequency of hail-storms), in order that a certain sum might be collected together to be distributed for claims to all the members, in a greater or less measure according to the extent of the damage caused by the hail during the year.

As there are 300,000 hectares of land in Piedmont which are cultivated as vineyards, a sum of 2 ½ millions could be collected yearly if 8 francs per hectare were to be fixed as the amount payable by the vine growers (much less than is paid for cannon firing against hail) and reinsurance could be tried.

2. To constitute numerous small local mutual societies which should be federated together.

3. To constitute a Mutual Society composed, not of private persons, but of Communes, which would have to pay a fixed sum each year

(in proportion to the extent of their territory and the frequency of the hail), which would afterwards be distributed, according to the rules to be fixed, amongst the persons under the administration of the Communes.

It has been observed, against the first proposals that the only way in which a Mutual Society can work is by having the adhesion of a very large number, if not of the whole of the vine growers, and that there would be some difficulty in persuading such a large number of persons, living in scattered districts, to join together in such an important Society, the control of which would seem to be too complicated a matter.

It is for these reasons that Dr. Mario Casalini proposes the second solution, that is, to federate numerous small local Mutual societies, the interests of which would not be so challenged and the administration and control of which would be much easier.

But also in this proposal there is the difficulty of overcoming the improvidence of the small proprietor and of persuading him to join, without counting the fact that these small mutual societies (with an annual income of 10 or 15 thousand francs) would be powerless in the face of any disaster caused by hail unless a large number of them could be created and federated at the same time.

It was on this account that the third proposal was brought forward by Dr. Montemartini, that is, to join together all the Communes, instead of joining all the private persons. It ought not to be a difficult matter to persuade a hundred Municipal Councils to insure the persons under their administration and to make them pay the insurance, and at least in this way a large number of insured persons could be got together in a short time.

But the difficulty here arises of obtaining the authorisation, for the Communes met together *in consortium*, of imposing this new charge on the persons under their administration. The question of the principle of compulsory insurance (which indirectly strikes at the proprietors of the Communes met together *in consortium*) was then put forward, and the advisability of leaving them free to refuse the insurance was discussed.

The discussion of this question will be continued at a forthcoming Congress which is to be held at Alessandria, the report of which we shall publish.

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**2. The National Co-operative League and the Italian Federation of Mutual aid Societies for the Encouragement of Thrift.** — An official letter has recently been presented to the Minister of Agriculture, Mr. Raineri, by the two above-mentioned national organisation, urging the institution of Itinerant Lecturerships of Thrift.



The Secretary General of the National Co-operative League, who signs the letter, expresses himself as follows: « After the unanimous vote given by the Superior Labour Council on June 12th, 1908 - with the consent of the Council of Thrift and Social Insurance - on the question of the constitution of the Itinerant Lecturerships of Thrift the ex-Minister Cocco-Ortu replied to the solicitation of the above mentioned Councils that, before asking Parliament for the relative legislative measures, he considered it advisable that some experiments should be made by private initiative, for which he was willing to accord his moral and material support. In consequence of this proposal, the National Co-operative League and the Italian Mutual Federation instituted a rudimentary professorship in Calabria, which had such an excellent influence in spreading and organising co-operative and mutual societies in this region that the Co-operative and Mutual Aid Societies working regularly and inscribed at the two National Organisations were increased from 6 to 28 in the short space of a little more than a year. These Organisations are most anxious to be able to continue and extend this work of propaganda, especially in Southern Italy, where thrift would mean, more than in any other place, the social and economic improvement of the district. The undersigned - in his quality as member of the Councils of Labour and Thrift - as direct representative of the Co-operative and Mutual Societies of Italy, strongly recommends the Minister of Agriculture, without giving up the idea of establishing Itinerant Lecturerships, to have an experiment made in the extension of thrift and mutual aid to all parts of Italy, so that it might become a genuine source of the redemption of the people ».

The present Ministry - through the medium of the Under-Secretary of State for Agriculture - replying to an interrogation on the question by the deputy Abbiate in the Chamber during the month of July last, has already assured the country that the question of the Itinerant Lecturerships of Thrift will be the object of the earnest consideration of the State.

Another interrogation was made in the Chamber, on the same subject, on January 28th, by the deputy Romussi.

(Summarised from the *Cooperazione Italiana*, Milan, n. 915, January 28, 1911).



# **INSURANCE**

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PART III.

**MISCELLANEOUS.**

**(FACTS AND PROBLEMS RELATING TO AGRICULTURAL ECONOMY IN GENERAL).**



# **MISCELLANEOUS**

## **I. — CURRENT QUESTIONS AND RECENT NEWS.**



# MISCELLANEOUS

## GREAT BRITAIN AND IRELAND.

### CURRENT QUESTIONS.

#### The Shortage of Egg Supplies.

##### Authority :

The Journal of the National Poultry Organisation Society January, 1911

A year ago the National Poultry Organisation Society called attention to the influence which Germany, now a larger importer of eggs and poultry than any other country in the world, was exerting upon foreign supplies to, and prices in, the United Kingdom. To that influence it attributed, in some measure, the steady advance in values, of eggs especially, which have marked the last five years. Germany, by her comparative proximity to countries from which the United Kingdom had hitherto obtained large supplies, notably Italy, Austria-Hungary and Russia, was able to receive them more rapidly and at less cost for transit than if they were shipped to Great Britain. So long as the prices in Germany were much below those obtainable in Great Britain the produce was sent to the latter country. But with the greatly-increased prices of food in the German cities and manufacturing towns, eggs were being consumed to an extent unknown previously. Hence the sources of supply to Great Britain were being sapped, and, until such time as producers in the United Kingdom vastly increased their output, a continued reduction in the extraneous supplies would lead to an enhancement of prices which would seriously check consumption.

By instruction of the Committee of the National Poultry Organisation Society the Honorary Secretary (Mr. Edward Brown) visited Germany in November to make an inquiry into the poultry industry in that country. In the January number of the *Journal of the National Poultry Organisation Society* is published an "Interim Report" by Mr. Brown,

who gives many figures showing the increased imports and enhanced prices of eggs and poultry in Germany, while he states that he was repeatedly informed that local production was almost a negligible quantity.

Mr. Brown commences his Report by the statement that, among leading European nations, the one which has made least progress in the poultry industry during recent years is Germany, with, perhaps, a solitary exception in the case of France, which, however, has held a high position for centuries in regard to the production of poultry. The reasons which Mr. Brown assigns for this neglect of poultry in Germany are:

1. Until recently eggs and poultry, with the exception of geese, entered to a comparatively limited extent into the food of the great bulk of the German people;

2. As a consequence of limited local demand, prices were comparatively low;

3. The geographical position of Germany, whose frontiers touch such countries as Belgium, the Netherlands, Hungary and Russia, and is within comparatively short distances from Italy and the Balkan States, in all of which poultry is largely kept and the cost of production is small, placed within her reach a large and increasing supply both of eggs and poultry, at prices which, generally speaking, prevented her farmers from regarding this branch of live-stock as worthy of attention;

4. During the last generation the industrial and commercial development of Germany has been enormous, and the attention of her people has been largely devoted to pursuits other than food-production.

Turning to the question of increased consumption, Mr. Brown notes first the rapid growth of population. In 1880 the total population was 45,000,000; in 1910, it was close upon 65,000,000, and it is growing at the rate of about 900,000 per annum. "We see the same forces at work across the North Sea" he writes, "as were evident in Great Britain at an earlier period, namely, that an increasing body of the people are living under conditions where they are dependent for supply of food upon others, and that greater means and purchasing power have led them to a higher standard of living, with corresponding changes in the nature and quantity of food consumed... Experience has shown that changes in environment and habits of life lead, apart from other impelling circumstances, to corresponding alterations in the class of food consumed. This is abundantly evident on every side with man and animal alike in all climates. So long as the people live mainly upon the land, working in the open air and exercising their muscles by hard manual labour, they are able to enjoy and assimilate the coarser, heavier foods. But when their days are to be passed in great cities, expending their energies in factory, or mine, or office, or working with brain rather than with muscle, nature craves and demands food of a very different class, food that is high in nutritive

values, but with a small amount of fibre, easily digested and appetising. We have here, apart from other reasons, one explanation of the enormous increase in the consumption of what may be termed lighter articles of food, such as eggs and poultry."

During his inquiry, which extended over the greater part of Germany, Mr. Brown found, almost everywhere, evidence that there has been a very great advance in the demand for eggs, and to a lesser extent for chickens, and that the sale of geese has grown with the population. Traders informed him that their business in eggs had multiplied many-fold, in spite of advancing prices, and that eggs were sold in districts where at one time there was scarcely any demand. He made special inquiries in many of the centres visited with a view to ascertaining if there had been any increase in local supplies, but always with the result of finding that there was very little trade done by retailers in eggs produced in Germany.

From the many statistics furnished by Mr. Brown in his Report, we take the following table:

*Total Imports of Eggs into Germany, 1898 to 1909.*

Year	Quantities in tons	Value £	Approximate value per 120
1898	105,836	4,258,350	6 8 $\frac{1}{4}$
1899	112,579	4,815,450	7 1 $\frac{1}{2}$
1900	118,170	5,161,350	7 3 $\frac{1}{4}$
1901	116,487	5,238,650	7 6
1902	128,154	5,753,550	7 5 $\frac{1}{4}$
1903	124,777	5,418,850	7 2 $\frac{3}{4}$
1904	129,397	5,732,550	7 4 $\frac{1}{2}$
1905	130,737	6,007,500	7 1 $\frac{1}{4}$
1906	125,383	6,102,250	8 1 $\frac{1}{4}$
1907	149,455	7,485,300	8 4 $\frac{1}{4}$
1908	139,293	6,819,500	8 2 $\frac{1}{2}$
1909	137,010	6,827,950	6 6 $\frac{1}{4}$

"With some variations," Mr. Brown points out, "the volume of eggs has steadily advanced, reaching a maximum in 1907. The increase in quantities from 1898 to 1909 was 29.45 per cent., whereas the total values increased in the same period by 60.34 per cent."

The imports of eggs into Great Britain, on the other hand, as far as quantities are concerned, have steadily declined since 1904. The total values of the imports have, however, increased. Thus in 1904, 19,942,594 great hundreds (1) of eggs were imported of a total value of £ 6,730,574.

(1) A "great hundred" -- 120.

but in 1910, though the quantity was only 18,344,137 great hundreds the total value was £ 7,296,145.

The average values of the eggs imported into Great Britain has increased steadily (with some slight fluctuations) from 6s. 2 3/4 d. per great hundred in 1899 to 8s. per great hundred in 1910. "In the case of Denmark," writes Mr. Brown, "and to a lesser extent France, the advance in values is partially accounted for by the improvement of quality due to improved methods of marketing, but that does not equally apply to Russia and other distant countries. We can, therefore, assume that with these last named the cause is to be sought for in greater demand and reduction of supply.

In view of the fact that this tendency in both directions will assuredly become greater, the position is one which should command immediate attention.

Discussing probabilities as to future developments, Mr. Brown writes: "The total volume of imported eggs in 1910 was about 155,000 tons. If in the near future, as is possible and probable, merchants in Italy, Austria-Hungary and South-Eastern Europe find it more profitable to sell entirely to Germany, and, as a consequence, nearly half the Russian produce is deviated to that country, instead of continuing to make Britain the chief market, that would mean a reduction of our foreign supplies by something like 65,000 tons, or 934,000,000 of eggs. We should be dependent upon Danish, French, and half our present Russian imports, and with comparatively few received from the Colonies and other countries. Without a commensurate increase either in home supplies or by finding new sources, the result could not fail to be disastrous in the extreme. Curtailment of shipments of preserved eggs in the winter months would cause a still more rapid increase in values, and under these conditions 6d. per egg for 'new-laid' in November and December is quite within the bounds of probability. Frankly speaking, after a careful survey of the position, after inquiries as to possible developments in other countries, I cannot discover any which are likely within the near future to fill the gap that would thus be created. Consumption all over the world is growing rapidly, even among those nations which have hitherto sold rather than eaten the produce, and this shows every sign of continuing at an increasing ratio. There may be lands which will step into the breach, but where they are I am unable to discern. At one time it seemed as if we might draw from South America, but eggs are dearer in Buenos Ayres than they are in London. Moreover, we should have the competition of demand from the United States, if there were any to export. The fact is we must depend upon our own resources to a greater extent than ever before and develop production in every section of the United Kingdom."



## II. — MISCELLANEOUS INFORMATION.

**1. Grants from the Development Fund for Horse Breeding (1).** — The Treasury, on the recommendation of the Development Commissioners, have made a grant to the Board of Agriculture from the Development Fund of £40,000 for the ensuing year for the encouragement of light horse breeding in Great Britain by means of:

1. The award of premiums to stallions;
2. Grants for the purchase of half-bred working brood mares for location in selected districts;
3. Free nominations for suitable mares for service by premium or approved stallions;
4. The purchase (for re-sale) of stallions;
5. The voluntary registration of stallions.

The President of the Board of Agriculture has appointed an Advisory Council composed of persons intimately acquainted with the horse-breeding industry to assist the Board in the administration of the grant. County committees and sub-committees are also to be formed and the detailed administration of the scheme will be entrusted to them in many important respects. The Secretary of State for War has stated that the War Office will be prepared to purchase annually a certain number of the remount horses, and he has promised the co-operation and assistance of the Army Council, which will be represented at the meetings of the Advisory Council.

A grant of £10,000 for one year for the encouragement of light horse breeding in Ireland had been made from the Development Fund to the Department of Agriculture for Ireland. The grant is to be expended in the following manner:

Two-fifths on the extension of the existing schemes for the registration and purchase of stallions;

Two-fifths on the extension of the existing scheme of service nominations of mares; and

One-fifth on a new scheme to encourage the breeding of better mares of the Irish Draught type.

(1) See Bulletin No. 2, page 97.

The third object to which the grant is to be applied is particularly interesting as an attempt to re-establish as a pure breed a type of horse which was being gradually destroyed by interbreeding with horses of other types.

(Summarised from statements issued by the Board of Agriculture and the Department of Agriculture for Ireland reprinted in the *Agricultural Gazette*, January 9th., 23rd., and 30th., 1911, the *Irish Homestead*, January 14th and 21st., and other papers).

**2. Proposals for Separate Boards of Agriculture for Scotland and Wales.** -- Proposals have been made from time to time for the creation of separate Boards of Agriculture for Scotland and Wales, and the question was discussed at a meeting of the Council of the Central and Associated Chambers of Agriculture on December 7th., 1910. A motion disapproving the creation of separate Boards was proposed by a representative of Monmouthshire, who urged that the difficulties of checking contagious diseases of cattle would be greatly increased if there were separate boards for parts of the country divided only by a boundary which could be crossed on foot or by railway. The Secretary of the Scottish Chamber of Agriculture stated that there was in Scotland a desire for a change in the existing system, but a separate Board was not desired. The Scottish Chamber thought that, without impairing in any way the usefulness of the present Board, there could be a certain measure of devolution in matters of administration, which might be beneficial to agriculturists in Scotland. A representative of the Glamorganshire Chamber of Agriculture reported that that Chamber had passed a resolution urging the establishment of a Department of Agriculture for Wales similar to the Department of Agriculture for Ireland; the feeling of the Glamorganshire Chamber was that a separate Department for Wales would be of incalculable benefit in promoting the welfare and prosperity of the Welsh farmers, especially on account of the large number of small holders that existed in Wales and the many farmers who owned and worked their own farms. After further discussion, the motion disapproving the creation of separate Boards was carried.

(Summarised from the *Agricultural Record*, December 1910).

# MISCELLANEOUS

## ITALY.

### I. - CURRENT QUESTIONS.

#### For the Constitution and Preservation of Small Rural Property and for Family Property.

##### Sources :

- Draft Law presented by the Prime Minister and Minister for Home Affairs (Signor Luzzatti), in union with the Minister of Agriculture, Industry and Commerce (Sig. Raineri), the Minister of Justice and Public Worship (Signor Fani), the Treasurer (Signor Fedesco), and the Minister of Finance (Signor Laeta), on Provisions to be made for the Constitution and Preservation of Small Rural Property and for Family Property. Parliamentary Proceedings, Chamber of Deputies, 23rd. Parliament, Session 1909-1910. Documents - Bills and Reports, no. 449.
- Census of the Population of the Kingdom of Italy on the 10th. February, 1901. Ministry of Agriculture, Industry and Commerce, General Statistical Department.
- Parliamentary Enquiry into the Conditions of the Peasants in the Southern Provinces and in Sicily. Reports of the Technical Delegates - Volumes II-VI, 1909-1910.
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*Introduction.*

Signor Luzzatti, Prime Minister and Minister for Home Affairs, on the 28th April, 1910, presented a Bill to the Chamber of Deputies, containing "provisions for the formation and the preservation of small rural property and for family property", a bill we think that, on account of its economic and social importance, we ought to place before our readers.

The problems of small rural property and of family property have already received attention in other countries. The solutions given to them in some of these countries have already been the subject of articles in preceding Numbers of this Bulletin; we shall have occasion to occupy ourselves with the same problems in the case of other countries. In the present article we shall first speak shortly of some legislative precedents and after having dealt with the bill itself we shall summarise the votes of the Peasant Proprietors' Congresses held at Casalmaggiore and Asti.

In the Ministerial Report, introducing the bill in question, it is stated that the provisions contained in it are "inspired by the idea of strengthening and encouraging, amongst the agricultural labourers, their affection for the land, the tendency they show to buy a small field, to the cultivation of which they may devote themselves, and to preserve this small property jealously, so as to be able to hand it down intact, as a family inheritance, to their dear ones". Provisions - continues the Report - inspired by "intentions manifestly and purely democratic, because they tend to facilitate the acquisition of land by the agricultural proletariat". It is, in fact, a case of the same policy in favour of the poorer classes that induced the Government, on the 11th February, 1910, to present the Bill for the Institute of the Bank of Labour and Co-operation with which we dealt in the first number of the *Bulletin*, pag. 303.

Amongst the more direct causes of the present movement in favour of small property, we must specially count the desire of arresting the increasing depopulation of the country districts, the result of the extension of manufactures and of emigration, and the desire of strengthening the position of the peasant proprietors, rendered generally difficult by reason of the strong competition of the large cultivators, disposing of more abundant capital and greater facilities for obtaining credit.

§ 1. *Some Legislative Precedents with Regard to Small Rural Property.*

We meet with precedents in almost all the bills on Home Colonization and in favour of Agriculture that have been presented to the National Parliament in the last twenty years. In some not sale is regulated, but rather the concession of lands on long lease which is a first step towards

possession by the peasants. Let us mention among the many proposals, that of the 2nd August, 1893, presented by the Deputies Giovagnoli, Garibaldi, Baccelli and others for the concession to the Communes, or to individuals, of uncultivated lands, upon long lease; in which it was proposed that the proprietors of lands of extensive cultivation should cede them in perpetual lease to the families of their *métayers*, in farms varying from 1 to 20 hectares in extent, at a rent to be based upon the net profits obtained in the first three years.

The Crispi Bill of 1st July, 1894, on long lease of the estates of corporations and on the improvement of the large private estates in Sicily (*latifundia*), aimed at the increase of agricultural production, by rescuing abandoned lands, and transforming the field labourers into peasant farmers. Amongst the means proposed we find the following:

Concession in redeemable perpetual lease of all lands belonging to corporate bodies, and of uncultivated lands in private possession,

Prohibition to the grantees to alienate their portions for a period of twenty years, a period deemed sufficient for the creation of a class of small peasant farmers.

The bill bearing the names of Fortis, Vacchelli and Carcano of the 1st May, 1899 aimed at agricultural improvement and home colonization by the employment of the greatest possible number of farmers, with the ultimate end of creating a system of small and medium sized property on the recovered lands.

Then, in 1905, Signor Luzzatti himself, at that time Treasurer, presented a bill to the Chamber for relief from mortgage debts, for buying up of rents and other burdens upon real estate and for encouragement of the formation of peasant properties. With this last intention, encouragement was given to the creation, upon private initiative, of institutes having for their mission the acquisition of agricultural estates in the Kingdom, their division in lots and their resale thus divided. These Institutes were to be commercial in character and for their work they must be authorized by the Government under the supervision of which they were placed.

Besides the bills we have mentioned, tending, more or less directly, to facilitate the purchase of pieces of land by the peasants, we must mention the provisions in favour of the Southern Provinces, that, later, in a few years' time, became State Law. These are: the law of the 31st March, 1904, No. 140, for the Basilicata, and that of the 15th July, 1906, No. 383, containing provisions for the Southern Provinces, for Sicily and for Sardinia. These two legislative acts are specially valuable for the subject we are considering, because in them we find the most immediate precedents for the present bill.

The law for the Basilicata institutes a provincial agricultural credit bank, which it endows with property, formed, in part of disposable State

lands, located in the Basilicata, and such also as the hydraulic works executed along the courses of the rivers shall be able to gain from their present beds. In regard to all these lands, the Administration of the Provincial Bank arranges for the division of such as are not subject to the law prohibiting deforesting and lend themselves to agricultural cultivation, into lots of various areas, and the concession of these lots on long lease or their sale to individuals with the obligations of improving the land. The law allows of payment in several instalments, including interest and sinking fund (art. 25). The purchaser assumes the obligation, under pain of forfeiture, of cultivating his lot or directing its cultivation personally, and he is forbidden, under penalty of cancellation of the contract, to cede, alienate under any form, mortgage, or assign in *anticrèse* (1), the property conceded to him (art. 26).

As to the law for the Southern Provinces, for Sicily and for Sardinia, it gives the Government power (art. 34) to grant to limited liability societies already constituted (not including the Institutions of Issue), or to be constituted, authority to perform definite operations, amongst which to buy rural property, in the Kingdom, belonging to private persons, Institutions of Issue and their land credit offices, and other institutions, "for cultivation, hiring out, conceding on long lease, and even for reselling them, after having improved or divided them, according to special regulations. The limited liability societies to be constituted shall have a capital of at least 5 millions, consisting of shares of a nominal value which may not be less than 100 francs and may not exceed 250 francs (art. 35). The rural property in land acquired by the Societies shall be divided in lots and shall be preferably conceded in long leases or sold in lots to farmers," or else sold in lots in manner to encourage the formation of a class of small peasant farmers (*proprietà coltivatrice*) (art. 34, letter a, 2nd paragraph). In concessions on long lease (art. 38), the grantee assumes the obligation, under pain of forfeiture, "of cultivating the land or directing its cultivation personally", and under pain of cancellation of contract or loss of the improvements made, he may not, for a term of 20 years, cede, alienate under any form, burden with mortgage or cede in *anticrèse*, the property conceded to him. The farm may not be of a greater area than 15 hectares. The abovementioned institutions enjoy a reduction in their favour on the taxes on the transfer of property, and numerous other exemptions.

The most important limited liability society founded in Italy, for ope-

(1) Let us mention that *anticrèse* is a contract by which the creditor acquires right of possession of the income of the real estate of his debtor, with obligation to deduct it each year from the interest, if any is due, and, then, from the capital constituting his credit (art. 1,891 of the Italian Civil Code).

rations in land, since the promulgation of the law of the 15th July, 1906 is the Rural Estates Institute, with headquarters in Rome and a fully paid up capital of 25 million francs. It appears from the Reports of this Society that it has already begun and successfully carried out operations of purchase, improvement, division and sale of lands in the Southern Provinces.

## § 2. *Peasant Property in Italy.*

Otherwise than in France, where, thanks to the special Enquiry ordered in 1908 by M. Ruau, at that time Minister of Agriculture, and now terminated, they have complete information upon the subject of peasant property, such information is wanting in Italy (1). But we may obtain some information as to the Southern Provinces and Sicily from the volumes of the recent Parliamentary Enquiry as to the conditions of the peasants in those Provinces. Thus, the Report on the Abruzzi and Molise informs us that in less than a century, the subdivision of property has reduced the average area of the same to less than half; at the date of the cadastral survey the average area of land property was between 9 hect. 25 and 3 hect. 97; on the contrary, according to the registration of 1907, it was between 5 hect. 69 and 1 hect. 83. This remarkable subdivision of property is explained by inheritance, but more especially by the frequent sales, above all in recent years. This phenomenon is partly caused by the bad circumstances of the peasant farmers due particularly to extensive emigration, producing as its result a rise in wages and the abandonment of the farms less adapted to cultivation; and secondly, by the desire of those returning to their country to invest their savings in land purchase.

On the other hand, in Apulia, those who live by day labour for third parties are more numerous. But also there, thanks to emigration, small lots of land tend to become peasant property.

Campania is a region of small proprietors, for the most part farmers. The many divisions of communal lands into lots, carried out in the period of about a century, have here especially contributed to the subdivision of the land.

In the Basilicata there is a very large number of owners of minute lots and this is due to the excessive subdivision of communal lands and of division of inherited land property among the heirs. This reduction of property into fractional portions forces the farmers to abandon the land and emigrate, and, in contrast with what occurs in other regions, the emi-

(1) According to the last Census of 1901, out of a total of 9,611,003 farmers, 2,583,490 cultivated their own lands.

grants who return to their own country do not generally invest their savings in land purchase, for the idea that this kind of investment is not remunerative is very widespread.

In Calabria again, also in consequence of emigration, peasant property is increasing.

In Sicily, distinction must be made between zone and zone. Near to the coast where the land is fertile, and water plentiful, where the climate is temperate and commerce is facilitated by the neighbourhood of the sea, property is subdivided and cultivated intensively; contracts of lease and *métairie* predominate; we read in the Report of the Parliamentary Enquiry, already quoted, that the middle classes are the principal proprietors of the region; but the peasants also possess a few small fields.

Inland, where nature wears another aspect, where water is scarce, and where for six months in the year it does not rain, where the soil is clayey and there are few roads, large properties of extensive cultivation predominate and only in the neighbourhood of villages do we meet with reclaimed lands of average or small area.

In the interior the large estates appear under the form of *latifundia*, and the small properties, concentrated in the neighbourhood of villages have almost entirely originated in long lease contracts. For the most part they are owned by townspeople who employ the peasants to cultivate them. The very small land properties alone are in the hands of the *borgesi*, that is to say, peasants in a slightly better condition than that of the day labourers or ancient serfs of the glebe, who generally possess nothing at all or own a miserable hut and some metres of poor soil. Between the large estates, and the small properties, we find the medium sized ones, owned by the middle classes in the neighbourhood of villages, generally well cultivated and planted with trees.

We may conclude by saying that large, small, and very small properties cover the greater part of the area of the interior of the island, but that the first prevails over the other two classes. As to middle sized property, it is comparatively far less met with.

Although, as we have already said, we have no precise and recent information as to the other regions of Italy, that we possess for Southern Italy is enough to prove, that especially on account of emigration and the rise in wages, the families of the *métayers* are to-day on the way to a certain prosperity and are tending to invest their savings in the purchase of small plots of land. This is why it is judged advisable to take the necessary steps to encourage this tendency among the Italian peasants, because it is remarked that, if one must condemn the excessive division of land, the formation of peasant property is an advantage for several reasons: it aims, at once, at the division and extinction of the *latifundia*, at uniting plots of land unsuited to separate cultivation, "at increasing the



fertility of the soil by means of the ardour with which the farmer proprietor devotes himself to it, stimulated to this by the personal and direct profit he derives from it". It is just for these manifold economic advantages, to which are added considerations of moral and political nature, that almost all States have sought to place land property within the reach of the labourers.

### § 3. *Legislative Precedents of "Family Property".*

The formation and preservation of family property – we read in the Ministerial Report preceding the text of the present bill – are closely connected together and it would not be right to separate them in order to make them the subjects of two distinct bills. For this reason we have associated them in a single bill. Before summarising it, it is well to point out, briefly, the precedents of the "family property" (1).

The Pandolfi bill on the institution of "family properties", presented to the Chamber of Deputies, in 1894, offers, in this respect, a quite special interest. The following were its fundamental lines: any property, with a net revenue, calculated for the purposes of the land tax, at between 200 and 600 francs, from which one family may, unaided, derive its livelihood and on which it is established, may be constituted, by public act as "family property", under the name of *masseria* (farm); and a reserve fund may be added to it in Government securities of nominal value up to the amount of 2,000 francs. The farm with its endowment loses the character of individual property to become *unseizable* and *inalienable* family property. It can only be expropriated for debts that the farmer contracts with the object of liberating the property from pre-existing debts, or with the object of improving the land. The farms may, in this latter case, obtain from the credit institutions authorized by law, or from the "Independent Central Farms Bank", to be instituted, a loan repayable in 50 yearly instalments at 5%. The State may also buy up the pre-existing mortgage debt, repaying the mortgager and substituting itself in his place. There is further granted ten years' exemption from the land tax on condition that the corresponding sums be spent for the construction of *métayers'* houses, where they are wanting, and ten years' exemption is also granted from all stamp and registration duties upon succession, personal estate etc. In order to provide the means necessary for the encouragement of the constitution of family properties, the before mentioned Central Bank is authorized to issue Agricultural Government securities of from 100 to 500 francs, payable to bearer, at the rate of 4 per cent extinguishable in

(1) This institution, of American origin, received legislative sanction for the first time in 1883, in the State of Texas, under the name of *Homestead*.

50 annual instalments as drawn by lot. But this bill was not discussed in the Chamber of Deputies.

In 1904, the immunity of the dwellinghouse was considered in connection with the Ronchetti bill on small expropriations, presented to the Senate with the object of establishing a simple and rapid procedure for the expropriation of small properties. Art. 25 of the bill declared the building, serving as habitation, to be exempt from executive procedure when as a building it pays a tax of not more than five francs. The Ministerial Report justified this proposal in the following terms which it is well to remember to-day when the institution of "family property" is under consideration also in Italy: "While the peasant keeps his hereditary hut, and, consequently, has no need of money to pay rent, he is less likely to determine upon emigrating abroad, or to the urban centres, except when it is absolutely impossible for him to get his living by hiring or taking in *métairie* the lands of others, or by day labour of himself or family. It is needless to point out what social and economic interests counsel the elimination of causes that may increase the constantly growing depopulation of the country districts".

Finally, the institution of a "family property", inalienable and unseizable, within certain limits, also appears, although to a less marked degree, in the law of the 21st February, 1892, no. 52, proposed by Signor Chimirri, on the colonization of the Bosco Montello (Province of Treviso), and in that of the 4th August, 1894, no. 397, proposed by Signor Tittoni on the provisions relative to the collective State Lands of the ancient States of the Church and in the Boselli Bills of 1894 on the communal estates of the South and on the improvement of Agriculture in Sardinia.

So much established, in the following section we shall summarise the bill forming the subject of this article and to give the reader entire knowledge of the matter, we shall reproduce the complete text after the last section.

#### **§ 4. Provisions for the Formation and Preservation of Small Rural Property and for Family Property in the Recent Ministerial Bill.**

In the first article of the bill it is laid down that the small rural property in question shall not be less than a hectare or more than three hectares in area, or if it is more than this, its value must not exceed 3,000 francs. Further, the two following conditions are imposed upon the purchaser :

1st. He must not be the proprietor of another piece of land, the area or the value of which exceeds the above mentioned limits; if the piece of land possessed already is inferior to these limits, he has the right to

avail himself of the benefits of the law for the purchase of another piece until these said limits are reached;

2nd. He must engage to cultivate the land himself, or to have it cultivated by the members of his family, the intention of the law being to "extend peasant property with the object of making it the means and instrument of the personal labour of the purchasers, or of the members of their families".

Art. 2. lays down the conditions necessary for obtaining a *loan on favourable conditions*; they are the following :

1st. Possession, at the moment of the conclusion of the loan on mortgage, of at least a fifth part of the purchase price ;

2nd. Complete payment of the rest of the purchase price by means of a loan ;

3rd. Stipulation, with the National Provident Society for Sickness and Old Age, or with a National Life Insurance Society, of a single premium insurance contract guaranteeing the payment of the yearly instalments of the loan that remain due at date of the borrower's decease.

Loans for the acquisition of small rural property may be granted by any ordinary savings bank, by the *popular banks*, by the pawning offices, and "by the Credit Institutions for Small Rural Property, constituted with the sole intention of directly granting these loans to private persons".

The loans must be secured on mortgage, extinguished within a maximum period of 25 years and they cannot be burdened with an interest beyond  $3\frac{1}{2}\%$ . To engage the Credit Institutions to grant loans at so low an interest, the State intervenes, engaging to grant the lending Institutes pecuniary assistance, exempt from income tax, to the amount of 1% on the loan operations they effect. The societies and institutions for popular or cheap dwellinghouses, constituted in the terms of the law (single text) of the 27th. February, 1908, no. 89, may also propose themselves for undertaking operations in behalf of small rural property.

*Co-operative Societies* may also be founded "having for their exclusive object the carrying out of operations in behalf of small rural property."

We shall, for the sake of brevity, omit mention of other special provisions, remarking, however, that one of the conditions for profiting by the advantages conceded by the bill in question is that the work of cultivation of the small rural property must be begun within a year from the day of acquisition ; if the purchaser does not satisfy this condition, or, if after having commenced the work the purchaser or the members of his family abandon the work for a period exceeding that of a year, the taxes from which he has been exempted, and the sums paid as subventions by the State shall immediately, with certain reserves, be exigible, by the Treasury.

The Second Division of the Bill which provides for the preservation of the small property after its formation, deals with the constitution of the family property, its regulation and with the fiscal facilities.

As to the first point, art. 16 provides that small rural property, to which is annexed a house belonging to the proprietor of the land and inhabited by him and his family, may, together with the house, be constituted a *family property*. The house must have the character of a rural building, according to art. 2 of the law of the 26th. January, 1865, no. 2,136, relating to the tax on buildings, which defines rural buildings as constructions exclusively intended for dwellings for those engaged in agriculture, for cattle shelters, or for the preservation or manipulation of agricultural produce.

The *constitution of the family property* is not allowed if the land or the house is mortgaged, by either conventional or judicial mortgage, registered previously to the act constituting the family property, or, at latest, within the term of two months, allowed to the interested parties to make their objections. Without which, if these mortgages existed, it would be necessary to derogate in their favour from the essential principle of the exemption of the family property from seizure. Exception is made for the mortgage guaranteeing the loan granted for the acquisition of the small rural property. Legal mortgages do not hinder the constitution of the property in question and remain effective. The constitution may be effected by the head of the family, considering as such "any one who is married, or supports, even partially, relations up to the sixth degree" – either by means of a declaration before a notary, or by testament, or by donation.

Omitting the formalities relative to the constitution, we shall now speak of the *regulation of the family property*.

Article 19 lays down the most remarkable and most characteristic consequence of the institution: the *exemption from seizure* of the real estate of which it is composed (1).

This "real estate can not be sequestrated even in case of bankruptcy". There are certain exceptions. The first in favour of the credit on mortgage of the Institutions granting the loan for the purchase of the real estate, the second for the claims of direct taxation. There is also exception to the principle of exemption from seizure of the produce of the family:

- a) for debts resulting from condemnations in penal or police matters;
- b) for fire insurance premiums;
- c) for debts for aliments.

(1) The principle of the exemption from seizure of the minimum indispensable for existence is already accepted by Italian law; it is enough to mention arts. 583 et seqq. of the Code of Civil Procedure which forbid the seizure of articles required for the debtor's personal use and his nourishment.

Art. 20 further declares family property *inalienable* (1): the right of alienation would destroy the advantages and the effects of the exemption from seizure. The provision of the same article which forbids *antichrèse*, long leasing, and mortgaging is the necessary consequence of the principle that the land must be cultivated by the owner himself or by members of his family. This obligation of direct cultivation would also entail the prohibition of letting, however the *prelor* (justice of the peace) has power to authorize this, when the proprietor or the members of his family, through age or on account of the conditions of their health, are not in a position to accomplish the work of cultivation.

As to the *duration of the constitution* of the family property and its effects after the death of the constitutor, the system proposed in the bill may be summed up under the following heads:

1st, Prohibition of transmission of the family property by testament;

2nd, Preservation and indivisibility of the property while there are minor children;

3rd, A single form of administration during the minority of all the children or of some of them;

4th, Right for each one of the heirs, when the existence of the family property ceases, or when it becomes divisible, to obtain that it be assigned to him, on offer of payment in money of the shares due to the other coheirs;

5th, Right for the son, head of a family, to whom the property has been so assigned, to obtain the confirmation and confirmation in his favour of the constitution itself.

Finally the stamp and registration dues upon insertions in papers publishing legal announcements, on registrations of mortgage bonds and on transcriptions of any character for any necessary legal act are reduced to the fourth of the amount of the ordinary dues. These fiscal facilities are granted as "encouragement and reward" for the constitution of family property.

(1) As to the prohibition of mortgage or sale, the regulation for family property is the same in Italy as that for marriage portions, which excludes the right, after marriage, of contracting obligations on the marriage portion of the wife in favour of any other person, or of alienating it. Further, the law of the 31st March, 1904, No. 140, on the provisions in favour of the Basilicata, forbids the purchasers of lots of land that have been sold to them by the Provincial Agricultural Credit Society, to cede them, alienate them in any form, or mortgage them during the space of 20 years (art. 26). And a similar provision is also contained, as we have seen, in the law of the 15th July, 1906, No. 383, on the Southern Provinces, Sicily and Sardinia (art. 38).

**§ 5. *Votes of the Recent Congresses of Peasant Proprietors  
at Casalmaggiore and Asti.***

After having shown, synthetically, in the preceding section, the provisions of the law we are dealing with, we shall last of all communicate to our readers certain votes passed by the small proprietors recently assembled in Congress at Casalmaggiore, and Asti.

The Congress of Casalmaggiore, organized by the Society of "Small Peasant Proprietors" of the Province of Cremona, was held, last September, precisely with the object of discussing the law on small property.

The idea which prevailed at this meeting was the following: although the proposed measures constitute "notable and indisputable advantages for small rural property", these are, however, reduced by the excessive burden of taxes, and the exemption of family property from seizure cannot be separated from its exemption from taxation.

Considering, further, that the bill does not eliminate the inequality between the revenue from real estate and the revenue from personal estate, which is exempt from taxation up to the amount of 500 francs, the Congress decided to "appeal to the Ministry for the introduction of the following modification into the bill: that the family property be exempted from the payment of taxes when the revenue is less than 500 francs, and that the taxes be reduced to half when the revenue is above 500 but less than 1,000 francs." More than 600 peasant proprietors attended the meeting.

The Congress of Asti was also held in the month of September. We cannot report in this case, as in the preceding, the discussions that took place at it, as our space is limited. We shall only mention one of the most important of the conclusions arrived at; we mean that on "the organization of small proprietors in professional associations for the defence of the interests of their class." There was also affirmed here the necessity of obtaining legislative measures:

*a)* for the reform of the land tax; *b)* for cheap credit by means of local associations; *c)* for the increase of different forms of agricultural associations: co-operative and mutual societies, etc.; *d)* for a more intense technical agricultural education; *e)* for better forms of insurance societies; old age, etc.

Finally, as to the Luzzatti bill, the Congress observed that this bill tends indeed to the creation of a new peasant property, but not to the efficacious defence of that already existing.

These two Congresses certainly show an awakening of the class of small proprietors and that is why we have thought well to speak of them.

A "Meeting of Young Italian Liberals", which was recently held at Florence, also occupied itself with this class, affirming that the "preservation and development of peasant property is to be obtained by the reduction of taxation," and expressing the desire for the organization of peasant proprietors with the object of obtaining a more economical system of agricultural credit.

## The Draft Law concerning Small Rural Property and Family Property.

### PART I.

#### CHAPTER I.

##### *Character and conditions of the purchase of small rural property.*

#### ART. 1.

For the purchase of small rural property loans on mortgage may be granted with the advantages and upon the conditions indicated in articles 2 to 10, provided that the area of the land to be purchased is not less than 1 hectare, nor more than 3 hectares, or though being more than 3 hectares in area the value according to cadastral calculations does not exceed 3,000 liras, and provided that the purchaser guarantees to cultivate the land himself or to have it done by the members of his own family.

If the purchaser, at the moment of the acquisition, is already the possessor of another piece of land, the maximum limits of measure and value, mentioned in the first part of this article, will be reduced according to the area and value of the land which he already possesses.

The land already possessed by the purchaser, upon which it is intended to erect a house similar to the peoples' dwellings or economic houses, will not be taken into account for the application of this deduction.

#### Art. 2.

The purchaser who borrows, must at the moment of the contract, pay at least one fifth of the price of the purchase in cash and pay off the rest by means of a loan obtained according to the conditions mentioned in the present law.

The borrower is obliged to stipulate with the National Provident Bank (*Caisse Nationale de prévoyance pour les invalides du travail et pour la vieillesse*) or with the National Life Insurance Societies, for a single premium life insurance policy, guaranteeing the payment of the annuities of the loan which become due after his death. The amount of this single premium may be incorporated with the loan.

Except in cases of *force majeure*, the works for cultivation must commence within a year from the date of the acquisition.

## CHAPTER II.

### *Loans and Credit Institutions.*

#### Art. 3.

The loans for the acquisition of small rural property may be granted, without distinction, by all the ordinary Savings Banks, the Popular Banks, the national Pawn Brokers and by the small rural property Credit Institutions established solely with the object of granting these loans directly to private persons.

The capital of the small rural property Credit Institutions must not be less than 100,000 liras, and they cannot commence operations without the authorisation of the Ministry of Agriculture, Industry and Commerce. They are placed under the surveillance of the said ministry.

#### Art. 4.

The loans for the acquisition of small rural property shall not be for periods longer than twenty-five years, nor shall they be encumbered with an interest greater than  $3\frac{1}{2}\%$  per annum.

The amounts lent shall be entirely employed for the acquisition of the small rural property and, with the object of guaranteeing this employment, the Institution which has granted the loan, can pay the amount directly to the seller.

The other provisions necessary to guarantee the integral satisfaction of the rights of the seller shall be fixed in the regulations.

#### Art. 5.

Contributions, exempt from the income tax (*ricchezza mobile*), of 1 % per annum upon the amount of the loans granted, are conceded to the Credit Institutions by the State.



The sum necessary for the State assistance towards the abovementioned loans figures annually in the budget of the ministry of Agriculture, Industry and Commerce under the special chapter: "Assistance of the State for the payment of the interests upon the loans for small rural property".

The assistance of the State shall be accorded, after consultation with the Central Commission for workmen's dwellings, and according to the conditions which shall be established in the regulations which must be published upon the execution of the present law.

### CHAPTER III.

#### *Societies and Institutions for the Sale of Small Rural Property.*

##### Art. 6.

The Societies and Institutions for workmen's dwellings, constituted according to the law of the 27th. February, 1908, no. 89, may also have as their chief object the operations concerning small rural property.

Co-operative Societies, the sole object of which is to undertake the operations for small rural property, may also be constituted, upon the conditions and with the advantages of the abovementioned law.

The contract of acquisition of small rural property, besides with the abovementioned Societies and Institutions, may also be arranged directly with private persons.

##### Art. 7.

The limited societies, constituted and authorised according to the provisions of articles 34 to 37 of the law of the 15th July, 1906, no. 383, containing provisions (*provvedimenti*) in favour of the southern provinces, Sicily and Sardinia, may also establish themselves with the object of effecting the operations for small rural property.

##### Art. 8.

The Government of the King, by Royal Decree, may authorise limited societies, constituted or that will be constituted with a capital of less than five million but not less than two million liras, to effect the operations for small rural property.

The said Societies must conform to the provisions contained in articles 34 to 37 of the law of the 15th. July, 1906, no. 383, which includes the faculty of emitting obligations up to double the amount of the capital of the society and of the statutory reserve.

## Art. 9.

The Societies which are mentioned in articles 7 and 8 may also hire out lots of land (*appezzamenti*) having the same character as small rural property, upon the condition that the tenant submits to all unforeseen circumstances, and that he engages to pay, besides the rent, also an extra sum (*quota-risparmio*) in measure sufficient to constitute, at the expiration of the lease, a sum corresponding to one fifth of the price of the land.

In consequence of the stipulations of the hiring contract upon the abovementioned conditions, the hirer at the expiration of the contract, has the right of preference to buy the land upon conditions established in the present law and at the price fixed as a basis for the determination of the extra sum (*quota-risparmio*) above-mentioned.

The hirer has no right to demand the restitution of the extra sum paid, except in the case of the annulling of the hiring contract or when at the expiration of the latter, he does not intend to avail himself of the right of prelation mentioned above. In case of the death of the hirer the sum constituted by the (*quote-risparmio*) with the relative interests, will be paid to his heirs.

The interest to be attributed to the extra sums, and to be capitalised, may not be less than  $3\frac{1}{2}$  %.

## CHAPTER IV.

*Fiscal Facilities and General Provisions.*

## Art. 10.

All the advantages granted by the law concerning workmen's dwellings are applicable to small rural property acquired upon the conditions provided by the present law.

The same advantages are also extended to the societies and institutions which undertake the sale of small rural property; to the operations concerning the purchase, the sale, the transfer and insurance; and to the loans or mortgage which are mentioned in art. 2.

The registration fee, paid by the abovementioned societies and institutions, in normal proportion to the purchase of land, is reduced to one quarter, every time that the land acquired is sold in lots having the character of small rural property. In this case the excess fee paid, will be reimbursed in proportion to the amount of land sold in this manner. The

reimbursement of the said excess must be demanded by the society or institution within a year from the date of the contract of sale.

The advantages indicated in the present article are also granted if the purchase and sale of small rural property is arranged between private persons and it is likewise granted for the contracts of loans made by private buyers according to the conditions of the present law.

#### Art. 11.

The provisions of articles 27 to 29 of the law of the 27th February, 1908, No. 89, concerning workmen's dwellings, relative to the successions and expropriations are also extended to small rural property acquired according to the conditions mentioned in the present law.

#### Art. 12.

When the works of cultivation are not commenced within the period established in the last paragraph of article 2, or if, after having been commenced they are suspended for a period exceeding a year, by the purchases or his family, the taxes from which he has been exempted and the sums paid as subsidies by the State for the loan which was granted him, shall be, without other formality, exigible by the treasury with privilege upon the land acquired, except the rights of the institute which advanced the money hold the precedence also upon the privilege attributed to the treasury by this article.

#### Art. 13.

Any person, who, without the authorisation of the Central Commission for workmen's dwellings and the small rural property, may have sold the small rural property, acquired with the advantages granted by the present law, cannot again benefit by these advantages for other successive operations of acquisition.

The abovementioned authorisation may be granted, when the sale appears justifiable by evident reasons of utility.

#### Art. 14.

Loans on mortgage can also be granted upon the conditions and according to the provisions indicated by the present law, to liberate small rural property from the encumbrance of a juridical or conventional mortgage when the debt guaranteed produces interests superior to 5 %, or when it is in order to liberate it from dues, taxes or other royal charges.

All the provisions of the present law concerning the loans for the acquisition of small rural property are applicable to the loans on mortgage granted according to the terms of the present article.

Art. 15.

The same attributions which are given it by the abovementioned law, are confided, in the considerations of the present law, to the Central Commission for workmen's dwellings, instituted by article 30 of the law of the 27th. February, 1908, No. 89.

It assumes the denomination of " Commission for workmen's dwellings and small rural property "; and, besides the persons indicated in the abovementioned article 30, it is composed of the General Director of Agriculture, a representative of the Superior Council of Agriculture and the General Director of the National Provident Bank (*Cassa nazionale di previdenza per la invalidità e per la vecchiaia degli operai*).

The Commission will also have an assistant secretary.

PART II.

Family Property.

CHAPTER I.

*Constitution of Family Property.*

Art. 16.

Small rural property, to which is annexed a rural house according to the provisions of this law of the 26th. January, 1865, No. 2136, and the regulation of the 25th. May, 1865, No. 2319, belonging to the proprietor of the land and inhabited by him and his family, may, together with the house, be converted into family property, if the land and the house are not encumbered by a conventional or juridical mortgage, the registration of which has been effected by the creditor before the act of constitution of family property, or, at the latest, within the period fixed in the first part of article 18.

However, the mortgage for the credit produced by the loan which served for the acquisition of the small rural property and the house, or for the liberation of preceding mortgages, dues or taxes, and the legal mortgages, also if registered before the termination of the abovementioned period, do not impede the constitution of family property and retain their full power.

## Art. 17.

The constitution of family property may be effected by the head of the family, by means of a declaration received by a notary, by a will (testament) or by donation.

For the purposes of the present law, the head of the family will be considered anybody who is married or maintains, even partially, relatives to the sixth degree.

## Art. 18.

A notice of the act of the constitution of family property is publicly placarded at the Chief Magistrate's Office (*Pretura*) and at the Town Hall of the commune in which the property is situated.

A notice is also inserted in the legal gazette.

Before the termination of the abovementioned period of two months, all interested persons are permitted to present their oppositions to the constitution of family property, for the examination of the notary who has attested the act.

When the two months are terminated, the act, with all the documents referring to it, is sent to the *pretore* (chief magistrate) who, after being assured that all conditions established by the law have been carried out, ratifies the act.

The act of the constitution of family property must be registered within a period of thirty days, otherwise it is annulled.

## CHAPTER II.

*Regime of Family Property.*

## Art. 19.

From the date of the registration, the family property and all revenues it may produce become non-distrainable, also in case of bankruptcy.

The only exception made is in regard to the claims indicated in the paragraph of art. 16 and those with reference to direct taxes.

The revenue can only be seized for the payment of:

- 1st debts resulting from penal condemnations or sentences in the police courts;
- 2nd. premiums for insurance against fire;
- 3rd. debts for aliments.

## Art. 20.

Family<sup>4</sup> property cannot be sold, pledged, or made emphyteutic nor can it be mortgaged, except as a guarantee to the institute furnishing the loan.

Under special circumstances which shall be established in the regulations, the chief magistrate may authorise the letting of the property for a period of not more than nine years, when the proprietor and the members of his family for reason of age or conditions of health, are not able to cultivate the property themselves. The abovementioned authorisation may be renewed as often as circumstances make it necessary.

## Art. 21.

In the case, where, for the default of payment, the institute which granted the loan, must bring about expropriation proceedings against the borrower, the expropriations may be executed at the request of the abovementioned institute, with assignment of the property to the same institute upon judicial estimation.

## Art. 22.

Family property may not be transferred by will.

No death dues are necessary for the transfer of family property in the case of legitimate succession.

## Art. 23.

Family property continues to exist and cannot be divided so long as there are underaged children.

When all the children are of age the division may be accomplished; and in cases where the father or mother are still living their rights are those which are established in the Civil Code for intestate succession.

## Art. 24.

The minors, also partially maintained by the head of the family, so long as they are still under-age, continue the right which was enjoyed by the head of the family; this right belongs also to the over-age children and to the other persons forming the family, which are spoken of in art 17.

## Art. 25.

During the minority of all or some of the children, the administration of the family property passes to someone appointed by the head of the family; in default of this designation it passes to the remaining parent; and if there is no parent living or if living, has married again, the administration shall be decided by the Family Council which is spoken of in articles 237 and 249 and following ones of the Civil Code.

## Art. 26.

In default of minors, or having been divided, by the coming of age of all the children, if several persons are called into the succession, the property will be assigned to him who is able to offer the payment in money of the portions due to the others. If two or more persons make the same offer, the matter is taken before the chief magistrate and lots are drawn, to establish which has the preference.

## Art. 27.

If there are children, who are heads of families, according to the conditions of articles 17, the family property shall continue to exist for two months following the death of the head of the family, or for two months after the coming of age of the youngest minor.

Within the period of the two months, each one of the children, who is head of a family if he has already obtained the verdict in his favour for the family property, or if he has already deposited, according to the conditions and rules which shall be established in the regulations, a sum of money, enough to pay the portions due to the other co-heirs, according to the terms contained in the preceding article, may declare before a notary his decision of confirming and maintaining the constitution of family property; and in this case the constitution will continue uninterruptedly, provided the formalities stated in articles 18 are carried out within the period of six months from the death of the head of the family or from the coming of age of the youngest child.

An annotation of the act of confirmation of the constitution of family property will be made in the margin of the original transcription of the act.

## Art. 28.

For evident reasons of utility the *Tribunale* may declare the constitution of family property at an end, at any time, when no minors exist in the family and provided the head of the family gives his consent.

## CHAPTER III

*Fiscal Facilities and General Provisions.*

## Art. 29.

The stamp duty and registration fee, the cost of the announcements in the legal gazettes, the mortgage duty and the transfer charges of every description connected with the acts necessary for the constitution of family property are all reduced to one quarter of the usual price.

## Art. 30.

Small rural properties, even if acquired before the bringing into force of the present law, provided they agree with the conditions required by this law concerning small rural property, may be constituted as family property upon the conditions and with the formalities indicated in the preceding articles.

## Art. 31.

The faculty has been accorded to the Government of the King to provide for the co-ordination of the present law with other laws, by means of a Royal Decree, promoted by the Ministry of Agriculture, Industry and Commerce, in conjunction with the other interested Ministries, after having received the advice of the Central Commission for workmen's dwellings and small rural property and of the Council of State.

The conditions for the execution of the present law shall be established by a regulation, to be approved and modified whenever necessary, by Royal Decree, promoted by the Ministry of Agriculture, Industry and Commerce, upon the hearing of the advice of the Central Commission for workmen's dwellings and small rural property and the Council of State.



## II. — MISCELLANEOUS INFORMATION.

**1. Report on the Raineri Bill concerning the measures to be taken to encourage the silk industry.** — A Ministerial Report is about to be published on the Bill concerning the measures to be taken for the encouragement of the silk industry, which was recently placed before the Chamber by Mr. Raineri, and the more important parts of which we published in the third number of the Bulletin, p. 382. In this Report a brief account is given of some data showing the place which the silk industry occupies in the national economy, and how legitimate, therefore, is the interest which the Government is taking in supporting and defending the industry in its present difficulties.

From the declarations made in conformity with the law on the work of women and children, it appears that there are 2,413 silk factories in Italy, which employ 282,549 workers, 20,307 of whom are of the male sex and 212,242 of the female sex. The labour supplied by this working population costs the enormous sum of 75 million francs per year in wages. Silk was exported from Italy in 1909 to the value of fr. 588,206,033, the total exportation from Italy during that year being fr. 1,920,957,262.

In 1909 there were 50,760,000 kg. of living cocoons produced in Italy; that is to say, 177 kg. per square kilometer, and 1,563 kg. per thousand inhabitants. Piedmont and Liguria together produce 8,157,000 kg. of living cocoons; Lombardy 18,095,000 kg.; Veneto 12,340,000 kg.; Emilia and Romagna 3,827,000 kg.; the Marches and Umbria 2,952,000 kg.; Tuscany and Latium 2,723,000 kg.; Southern and insular Italy 2,666,000 kg.

Upper Italy, extending over 83,500 sq. kilom., produces 76 % of the cocoon crop in Italy, Central Italy, 76,000 sq. kilom., 19 %, and Southern and Insular Italy, 126,700 sq. kilom., produces only 5 %. Neither Sardinia, Sicily (with the exception of Messina), nor the provinces of Apulia and the Basilicata, take any part in this production.

There are about 800,000 spindles used for the winding of silk in Italy, and from 4 to 4  $\frac{1}{2}$  million kg. of silk are worked every year, between organzine and woven silk, half of which is wound in Italy and the other half imported raw.

The Report gives many other statistical data, and afterwards gives a summary of the causes of the present unsatisfactory conditions of the industry. The conclusions of the Commission of Inquiry into the silk in-

dustry (published in the 2nd number of our Bulletin, p. 128) are given, as well as the reasons why the Government has not been able to convert some of the expressed desires of the Commission into law, and the Report ends by giving an explanation of each of the dispositions of the Bill.

**2. The cultivation of aurantiaceae (citrus fruits) in Messina.** — In the 1st number of the Bulletin, p. 335, we spoke of the amendments in the Law of July 15th, 1910, with regard to the "Camera Agrumaria di Messina", which were carried in the Law of July 17th, 1910, n. 492, and we cited the articles containing the dispositions in favour of the citrus fruit growers' cooperative societies. We now give some information on this culture, which constitutes the "most important branch of the economic life of the province of Messina".

First of all, there is an extent of 10,000 hectares of land given up to this kind of cultivation in the province, and it is continually increasing, especially in the eastern part. The number of plants varies from 400 to 600 per hectare and more, according to the situation, nature and fertility of the soil. The plants are grown from 3,50 to 5 metres apart, and there is no longer the former tendency to put them too close together.

The cultivation expenses per hectare vary from 30 to 40 % of the gross product, and reach a general average of from 700 to 800 francs a year. The chief annual expenses are divided as follows: the work of the soil, which comes to between fr. 0,30 and 0,50 per plant; the manure, 0,50 to 0,80 per plant; irrigation pruning and the application of treatments against insect parasites (expenditure very variable).

The commercial value of a hectare of land planted with aurantiaceae varies from fr. 18,000 to fr. 40,000, according to the locality and the production. The maximum product of a full grown tree is 1,000 fruits, and the minimum 200, the average produce being 500. Generally speaking, the production is about 200,000 winter fruits per hectare, with a gross return of from 1,000 to 2,000 francs.

The price of a choice and an inferior fruit varies enormously according to the year and the trade demand; the best lemons sell at fr. 50 and upwards per thousand, and they are all sent to London; the October lemons sell at from 25 to 30 frs. The fruit of an inferior quality is sold at from 3 to 8 francs, and summer lemons at from 35 to 45 francs. The general average price of the total amount of fruit sold from October to March was from 5 to 7 francs, and even from 8 to 10 francs per thousand in 1908-1909, and from 4 to 6 francs in 1909-1910.

The system of exploitation most in usage for this culture in the province of Messina is that of the owner having the land cultivated directly

for his own benefit; there are, however, some rare examples of leases « a migliona » (1), or emphyteusis, for a determinate period.

The citrus fruit cultivations are generally small properties; they are about a hectare in extent or little more, except in a few cases, where they are considerably larger.

The contracts for the sale of the fruit are made in the lump or by estimate (for winter lemons) and according to the quantity delivered, preference being given to one or the other system according to the circumstances of the place or the time of year.

The industry of the citrus fruit derivatives is very widespread in the province; there are about 50 manufactories of products made from aurantiaee (with 300 presses at work), a small number of which have steam machinery and are well organised. A good deal of the manufacture is done in the dwelling houses, on an empirical system.

The production of raw and cooked juice is decreasing, while that of citrate of lime is continually increasing.

The citrus fruits essence industry is also developing more and more by the aid of modern extraction methods, especially in consequence of the growing importance of their use in perfumery.

But the production of the derivatives is subordinated to the exportation of the fruit itself: if the latter increases, the derivatives decrease, whereas if the exportation is of little importance, the production of the derivatives increases.

The Government has frequently interested itself in the cultivation of citrus fruits in the province of Messina, with the intention of improving the organisation of the industry and trade of the fruits and their derivatives; and as the problem is not yet quite solved, the Government will be taking up the question again.

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**3. Encouragement of agriculture by the Savings bank of Bologna.** — The Shareholders' Meeting of the Savings Bank of Bologna recently organised a competition between private persons and legally authorised associations for the best work, discovery, invention, scientific or industrial application recognised as really efficacious « for increasing agricultural production, especially in the provinces of Emilia and Romagna, and at the same time increasing public prosperity, thus aiding social peace ». The prize offered is frs. 15,000, which cannot be divided, and a gold medal and diploma.

(Summarised from *L'Agricoltura Italiana*, Pisa, N. 24, Dec 31, 1910)

(1) The tenancy « a migliona » is a special form of renting by which the tenant is bound to make ground improvements on the land he is cultivating during the continuance of the contract.

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4. **Royal Lombard Institute of science and letters.** — At one of its last sittings, the Institute distributed the prizes for the various competitions which it had organised (1). There were 17 competitors for the Brambilla Foundation prize for the person inventing or introducing into Lombardy some new machine or any industrial product, or any other kind of improvement from which the population might draw a real and proved advantage.

The Examining Commission awarded, amongst other things, a second class gold medal to the First Agricultural Cooperative Syndicate of Milan "for having introduced and spread throughout Lombardy the Martin haymaking machines".

(Summarised from the *Bollettino dell'Agricoltura*, Milan, n. 52, Dec. 30, 1910).

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5. **Temporary course of domestic economy.** — The Minister of Agriculture, Mr. Raineri, recently sent out a Circular in which, after pointing out that woman is taken from domestic cares and occupation in her youth to work in the great industries, and that she consequently loses the qualities necessary for the education of the working classes, he deals with the importance of the temporary courses of education and domestic economy instituted in 1908 on the initiative of a Committee of the Province of Bergamo with the object of repairing the housekeeping education of working women in a simple and expeditious fashion. Whilst declaring that he is determined to encourage the creation and diffusion of this kind of school, completing the action of societies and private persons by suitable assistance, he appeals to the philanthropy of industrials and *farmers*, in order that, harmonising their own with the general interest, they may bring into existence some of these institutions and make them prosper.

Summarised from *l'Agricoltura Italiana*, Pisa, fasc. 1, Jan. 16, 1911).

(1) The Royal Lombard Institute of Science and Letters, the headquarters of which is at Milan, in addition to its principal aim, which is the progress of science and letters, contributes also to agricultural progress, awarding a large gold medal every three years to the person who has introduced some new discovery or some new method of cultivation into the agriculture of Lombardy. Lectures are also given on agricultural subjects.

# MISCELLANEOUS

## HOLLAND.

### CURRENT QUESTIONS.

#### The re-organisation of small peasant holdings in Holland.

##### Sources :

- 1) Nederlandsch Landbouwcomité, N. 159. Maatregelen tot' het verkrijgen van beter afgeronde eigendommen (*Measures taken to unite rural properties*). No indications given as to where published.
- 2) Nederlandsch Landbouwcomité. Rapport omtrent Ruilverkaveling met Ontwerp van Wet en Memorie van Toelichting. 's Gravenhage, 1910 (*Report upon the re-organisation of small holdings, with draft law and explanatory note*). The Hague, 1910.
- 3) Tijdschrift der Nederlandsche Heidemaatschappij Aflevering, 9. Utrecht, 1910. Article; "Landbouwmillioenen" (*Review of the Dutch Society for the Cultivation of the Moors. Part. 9. Article: "The Millions of Agriculture"*).
- 4) Id. Aflevering 10. Utrecht 1910. Article: 22<sup>e</sup> Algemeene Vergadering (*Same publication. Part 10. Utrecht, 1910. Article 22nd.; General Meeting*).
- 5) Directie van den Landbouw. Verslagen en Mededelingen 1910. N. 6. 's Gravenhage 1910 (*Direction of Agriculture. Reports and Communications, 1910. No. 6. 's Gravenhage*).

##### § 1. General Observations.

The inquiry upon the situation of agriculture in Holland, published in 1890 by the Commission of Agriculture (*Landbouw-enquête commissie; Uitkomsten*) which was nominated by Royal Decree of the 18th September 1886, No. 28, has very clearly shown the disadvantages which result to agriculture on account of the dispersion and inconvenient form of the fields and lands which belong to one and the same farm; these disadvantages had already been deplored by the majority of the 95 communes

taken as *examples*. "A condition of dispersion", assured the Commission, "is in itself a disadvantage" and this affirmation proves the importance which it gave to this fact. It is on this account that agriculture cannot produce its maximum of profit; that the cultivation of produce for commerce and consumption, the rotation of crops, so often necessary to allow live-stock to graze, cannot be practiced. The costs of cultivation become higher; more labour is necessary, greater effort, and supervision is forcibly limited, which is also affirmed by the well known Dutch proverb "The farther the land is away, the nearer is the loss." (*Hoe verder van zijn land, hoe dichtër bij zijn scha!*) From the conclusions of the Commission, it results that "in the majority of the communes, a more or less large quantity of land is too much and badly divided, that it has a disadvantageous situation, a deplorable form", and it is for this reason that the imperfections encountered have an almost general character.

On account of these statements and in order better to establish the importance of the facts, the Agricultural Committee of Holland (*Nederlandsch Landbouw Comité*), in 1893, nominated a Commission of Inquiry (*Ontginning*) in the different provinces, which, after two expert surveyors had been added in 1899, sent a *questionnaire* upon the subject in question, to a great number of persons having technical knowledge (1).

The operations relative to this referendum were chiefly facilitated by the Professors of the National School of Agriculture and by several members of the direction of the Cadastre; and the result of this was, the ratification of all which had been established by the Royal Commission of 1886. In the sandy districts of Limbourg, Brabant (North), Gelderland, Overijssel, Drenthe and the southern part of Groningue, it was stated that as a general rule, there was an excessive division, a defective form and a deplorable dispersion of property as well as a deficiency in the means of communication and of irrigation canals.

It is sufficient to cast a glance at the cadastral plan of some of the communes, in order to be convinced of the existence of this situation. The first thing which is noticed is, that no means of communication exist between the different fields and the outlying parts of the farm and that, in order to reach these outlying parts, it is necessary to cross other fields. This state of affairs gives rise to numerous difficulties, either with regard to the cultivation, or upon questions concerning the right of way (property rights). The inconvenient form and the smallness of the lots is also immediately noticed: in some cases ribbon-shaped fields are met with, where the length is ten times the width, which is very unsatisfactory; in others the shape and the dimensions cause great obstacles to the cultivation.

(1) It must be remarked that this Commission is occupied, at the same time, in many other works.

The most typical examples of an absolutely fantastic division of land are found at Staphorst, Rouveen and at Vriezenveen; and at Ameland one meets with one of the most ancient systems of divisions.

But in order to demonstrate to what extent, *even in the localities where such extremes are not met with, the situation still leaves very much to be desired in this respect*, we have studied the two maps, annexed to the Reports of the Landbouw Comité, already mentioned, of which one refers to the commune of Fledder and the other to the commune of Berchem, wherein the fields belonging to the same proprietor are indicated by the same colour. It is seen from these maps that property is subdivided to an enormous extent, that in general there are no parish roads, and that the shape of the fields is imperfect.

In fact, in these communes the land of a single peasant is often divided up into more than 20 pieces: some of these fields are 6 times as long as they are broad; there are practically no foot-paths or roads joining these scores of fields or lots belonging to the different proprietors, and the distances between the fields belonging to the same farm or proprietor are in general more than 3 km., sometimes even as much as 6 km. notwithstanding the relative smallness of this country.

This is not only the case in the sandy districts, but also in those which are formed by the ancient clayey soil, such as those of the Province of Friesland, Groningue and Gelderland, which, little by little, have produced an inconvenient division of the land, although it is not so pronounced as in the former.

Several causes have favoured the development and duration of this situation. The *sandy districts* and also those formed of clay, placed at a certain altitude, still suffer from the consequences of the ancient division left by the old Germans, the rural colonies of whom were, in general, composed of fields, much divided, belonging to the same proprietor and without means of communication between them. The disadvantages arising from this situation, which naturally very much limited the usefulness of the property, were not remarked for a considerable period and not much notice was taken of it. The disadvantages were also much less felt under the ancient regime of extensive cultivation, than with the generally intensive, modern mode of cultivation, above all among the average and small proprietors. In general, the land capable of being cultivated was all worked on the same principle; the working of the land took place at the same time; the summer and winter crops were sown and harvested during the same months on all the fields, which afterwards were used for common pasturage.

The causes of this situation, with regard to the *clay lands*, must be chiefly sought in the provisions of our right of succession; in fact, contrary to the German right of succession (*Anerbennacht*), it does not take into

count the necessities of agriculture and moreover facilitates the splitting-up of property; and this inconvenience is augmented still more by the fact that very often a higher price is asked for an isolated piece of land than for a piece which forms part of a farm. It is necessary to state that, in several parts of the Province of Groningue, where the right of emphyteusis exists, which, so to say, completed the provisions of the right of succession and placed obstacles in the way of selling isolated pieces of land, property is less subdivided and the divisions are much more conveniently done.

Besides it is not necessary to go very far back into historic times in order to find the reasons of the facts of which we have spoken. Even of recent date, the exigencies of the manner of working the land were considered of very little importance and we find a remarkable example of this fact if we consider the manner of forming the boundaries of the fields: and this is not only in view of the law (*Markenwet*) of Louis Napoleon, but also in view of the law of 1886. Numerous divisions have even been caused by the more recent of these two laws. It is on this account that the efficiency of working the land encounters such huge obstacles and which renders cultivation almost impossible. *In 1886, the legislature, once again, took no notice but of the property rights and neglected the interests of agriculture;* in consequence, the executors of the law exercised no technical control; it is for this reason, that when the division took place, nobody thought that, "*in the division of the land the first thing to be considered was the cultivation of this same land*". Several of these boundary lands, divided in this manner, are a proof of what we have said above; and these inconveniences can only be ended by the promulgation of a new law. In order to furnish explanation upon this subject, we have studied the third map annexed to the 2nd Report of the Landbouwcomité already mentioned, which gives the *méthode type*, according to which the arrangements were based before and after the law of 1886, with regard to the boundary lands of the Province of Overysse, and it must be mentioned that these lands include the best *heidegronden* (moors), of our country. The examination of this map shows an equally disadvantageous division of land, as the one we have spoken of above.

To form an idea, on the contrary, of the manner in which the division and measuring of land should be effected, we can study the fourth map, which shows how the division of the boundary lands of *Lunteren* has been done: in this case, in the voluntary division of all the rational exigencies, the first point considered was a good *division of lands*, in such a manner, that, in general, we find a parcelling from six to ten times larger than in the preceding cases and their number in consequence (in as much as concerns properties of about the same dimensions) is from six to ten times smaller.



But, although it is possible to effect this in other countries, private initiative, in general, has been powerless in Holland to improve the situation in this direction; and there is very little hope of its being accomplished in the future.

Even the provision of the law of 1882 which reduced the fiscal right of permutation (*Mutatie-recht*) to  $\frac{1}{4}$  % (1), with the object of facilitating the exchange of lands, has not brought about the desired enlarging and uniting of the property. The Dutch "Heidemaatschappij", during the last few years, has tried to intervene in the question, and has also commenced working upon a scheme for the purpose of obtaining the voluntary exchange of lands (*Ruilverkaveling*); but although this work is worthy of appreciation, it has not been able, in most cases, without the aid of legislation, to obtain an efficient result. "In this question", assured the Committee of Agriculture, "it will not be possible to obtain good results until compulsory exchange is instituted, the desire for which has been expressed in some of the reports". This step, on the part of the legislator, will, therefore, encounter no opposition, and it will also be justifiable because it concerns the augmentation of the productivity of the soil.

### § 2. *The Technical Procedure.*

In the draft law, presented *in extenso* in the fourth part of this article, they have tried to establish a rule which could be adaptable to the administrative Right of Holland and which makes large and small exchanges possible. *The idea of uniting together all lands, upon which exchanges have to be made, has been taken as a starting point*, in order to divide them again; in this division it is possible to construct new roads and new irrigation canals and those which already exist can be directed into more convenient places.

Art. 1 of this project declares that by the exchange and re organisation of lands it is necessary to consider: "The reunion of lands according to an established project and their new division: and if it be necessary, the construction or the changing of the means of communication and the irrigation canals, all of which must be done with the object of the furthering of agriculture". The technical direction is confided to a *Central Commission* which must exercise its duties on the spot where the exchange of lands is necessary. This will, in time, permit the commission to acquire great experience. The commission shall give advice and help to execute the projects; it shall be the technical counsellor of the authority, which has in its attributes, on the occasion of the exchanges, the administrative direction. Its composition and mode of working is regulated according to a general

(1) Law of the 11th. July, 1882, S. 92.

disposition of the Direction; this makes it impossible to create a new Commission where the necessity for which is not felt, but any work which has to be done may be sent to the Commission already in existence.

The technical execution in both cases shall be confided to a technical Commission, chosen on the spot by the persons interested, and this commission shall be presided over, or at least seconded, by an employee of the cadastral bureau. In very simple cases, the intervention of the Commission shall not be necessary, an employee of the cadastral bureau shall be sufficient.

*The initiative and the decision remain with the interested persons; nothing can be undertaken without their consent.* However, in the case where the interested persons do not take the initiative, the commune may, if it considers it worth its while, take the initiative, but, the decision always remains with the interested parties. This decision is taken at a meeting expressly called for this purpose; and the decision of the majority is final. A provisional project of the exchange of lands indicates the names of the interested proprietors who may attend the meeting: the owners of boundary lands who wish to take part in the undertaking may also attend the meeting. In the case where the project is not accepted by all, the proprietors favouring the exchange may proceed on their own account with the realisation of their project, reserve being made on the lands belonging to the opposing parties.

If the project is accepted all necessary measures are taken to place it in execution (1). At first, a plan is made of all the estates belonging to the persons taking part in the exchange. This is very easily done in Holland: the cadastral register gives all the necessary indications, and the cadastral plan gives the shape of the land. The plans and the condition of the properties are compared and means are taken to eliminate the divergencies.

The lots of land are first valued. This evaluation is not made according to the method employed for determining the land-tax; that is to say, there are no fixed types, and they are not considered by classes; but the geological nature of the land is determined without losing time upon details; they are circumscribed, measured and placed upon the cadastral plan.

Later, irregular polygons are traced on this plan which also give the geological formation of the land according to its nature and composition. It is according to this procedure that the lands are classed with regard to their value and the production per hectare is calculated in *gulden* (2.10 frs.).

(1) For the following description, see the article mentioned in the "Tijdschrift der Nederlandsche Heideemaatschappij". The 1st September, 1910, No. 9; mentioned in the Sources.

A register of evaluation, divided into two parts, is then established: in the one part, the value of each lot of land is inscribed and, in the other, the total value of the land belonging to each proprietor.

This second part will, therefore, give the amount which each owner must receive from, or pay to, the grand total.

The old cadastre is ignored entirely, because technically, it contains too many gaps to serve as a useful basis for the new division by exchange.

To form the new plan of exchange, the first work undertaken is leveling the ground for the future roads and irrigation canals.

When the complete project of this principal division has been well adjusted, operations are commenced on the land and the measurements are then taken by means of special instruments for the purpose. The results of the evaluations mentioned above are marked on the plan obtained by these means, in such a manner, so as to prevent difficulties arising from the carrying out of these operations.

Calculations are afterwards made to establish the amount of land necessary for the means of communications, irrigation canals and for the future works in common, such as sand, gravel and clay pits, stone quarries, thrashing-floor for beating linen, lands set aside for sport, cemeteries, etc.; this amount of land must naturally be taken from the whole. Each person interested has the necessary proportion deducted from the land which would eventually be the amount of his share of the whole; and the remainder is precisely that which constitutes his property.

In the project for the new division of lands the following points are considered: 1) that the compensation of the values must be made in land, and in money, in exceptional cases only, where more important values are concerned; 2) that the exchange need not bring about any radical change in the cultivation already existing.

Considerations are also made of the interests of the large, the medium and the small property and of the persons who have no fixed residence in the commune (*Forensen*).

In order to facilitate the division, the new cadastre is divided into "blocks" and "elements" (*Blokken en elementen*).

The *blocks* are the areas bounded by macadamized roads, country roads, canals and lands for exchange; the *elements* are portions of the blocks, obtained by dividing the latter into bands parallel with the future limits of the lands; all the interested owners are interrogated upon this subject in order that their particular desires may be known. Assurance is given them that their desires will be considered; but this does not signify that they have the right to have their desires satisfied. The first lots of land distributed are called *obligatoires*, which means that the persons to whom they are allotted are obliged to accept them; among these lots are included those which serve to enlarge and unite the gardens bordering upon the

fields, and the areas which are not encumbered with easements or servitudes; the distribution of lands for gardens intended for those who do not possess them; the distribution of lands for the purpose of construction; the restitution of lands containing organic deposits, minerals and coal; the lands worked as mines and which are not favourable for other productions cannot change proprietorship; and further, in making these obligatory distributions, the *isolated* lands are disposed of first.

When these restitutions have been decided upon the *ordinary distributions* are made, and if the interested parties are satisfied with this new exchange, signs are placed on the lands and each property is thus determined.

If no other objections are forthcoming, the execution of the project of exchange can, at once, be proceeded with, that is to say, that the servitudes are abolished, that the interested parties take possession of their land and commence the construction of the new roads and new canals, the sinking of drains, the construction of bridges, sluices, etc.

The passing from the ancient to the new situation is determined by an order which is communicated and explained to the interested parties at the same time as the law upon the exchange.

The order is in part temporary – condition of transition – in part definitive.

For the inscription in the mortgage and cadastral registres, a common contract is executed concerning all that has been established (*Ruilverkavelingsoorkonde*). *The mortgages, already existing, are transferred from the ancient to the new properties*; the administration of the cadastre receives the new plan of the territory with the new division, from the authority charged with the exchange.

The interested parties have the right, up to the last moment, to go back upon their decisions if the work, preparatory for the distribution, does not correspond to their expectations. Upon demand, another meeting must be called, but a decision annulling all the operations cannot be made except by a large majority.

It is not necessary to say that the exchange and the re-organisation of rural property causes certain inevitable expenses which may be classed as follows: general expenses, expenses of procedure, special expenses, accessory expenses and expenses of improvement.

The *general expenses* are those which refer to the assistance lent by the authorities, by their employees and by the technical experts which have taken part in the works.

The *expenses of procedure*, in case of opposition, are paid by the losing party.

The *special expenses* are those occasioned to the interested parties by the division of lands in the case of sale or death and are naturally paid by them.

The *accessory expenses* include the wages of the workmen who have assisted in the operations of land-surveying, the purchase of signs, posts and pillars to divide the properties, the hiring of rooms where the meetings took place, etc.; the accessory expenses also include all charges concerning the roads, bridges, canals, etc. The interested parties pay amounts in proportion to their credit; in general, the costs amount to between 30 and 40 Dutch florins per hectare.

The regions which have suffered from inundations or other misfortunes receive subsidies from the State.

The *expenses of improvement* are those concerning drainage and irrigation and have to be paid by the interested parties.

All these expenses may be limited as much as possible; among other things they are exempt from the stamp duty and registration fee, the expenses of procedure and affranchisement, as well as being exempt from the payment of all compensations to the State employees who have given assistance in the operations of the exchange; these expenses are, therefore, in part, incumbent upon the State. It is only just that these expenses do not entirely fall to the lot of the interested parties because when one accomplishes works for the improvement of the soil and where general interests are concerned, it is equitable that the State bears a part of the expenses. If the interested parties had to pay all the expenses they would be afraid to take part in this important enterprise.

Besides the expenses already indicated, the State also pays those which are caused by the meetings of the Central Committee and of the 1st Assembly, that is to say, of that one, where it is decided whether the enterprise shall be undertaken or not.

Further, the Queen must decide if other charges may not be paid by the State: this is eventually done in the case where the cost per hectare, in special circumstances, may be above the amount already established.

The price of the land necessary to the construction of roads, canals and other works of general interest are paid by the interested parties: the latter pay all these expenses in proportion to the quantity of land which they possess and according to the quality, the situation and use made of these lands.

### § 3. *Legal consideration.*

With the object of making a choice between the most opportune legislative measures to follow, they have studied in Holland, the similar conditions which prevail in Germany, the greater number of the Federated States of which have had legislation upon this subject in question for a long time. But if one establishes a comparison between the conditions of Agriculture of Holland and those of Germany, important differences are

noticed; but it cannot be denied however, that, in general, the conditions of Southern Germany and Prussia are very similar. The quantities of small holdings, above all in the light soil districts in Holland are enormous and are augmenting every day. In these districts the re-organization of the land could be effected with great advantage, by adopting the same system which is in practice in Southern Germany: in other regions, however, the Prussian system would be preferable. A law upon the exchange of lands in Holland must, therefore, be very elastic, in such a manner as to give free choice of the one or the other system which may be used to greater advantage; the necessities of each region will indicate the rule which it is preferable to follow. These are the reasons for which the Report of the Landhouw, already mentioned, arrives at the conclusion that Dutch legislature must also aim at the legal provisions of Württemberg, and *not permit the exchange of lands to take place except for the purpose of facilitating the communications and irrigation.*

*If it proceeded otherwise, it would facilitate the half-measures and make still worse the present bad conditions, which is certainly not the object in view.*

The example of Baden should demonstrate – still following the terms of the report already mentioned – to the Dutch legislature the utility of the propaganda in this question and what intimate relations must exist between the provisions which regulate the exchange of lands and those of the cadastre; and it must not forget that the instruction of the employees of the cadastral bureau must be given according to modern exigencies and be based upon scientific methods; that is to say, that technical instruction upon cultivation must form a part. *The formation of a well instructed personnel is a very urgent and important question:* Germany has, and Russia, at the present moment, is setting us the example. If the exchanges of lands in the Provinces of Holland only augment in proportions to half the extent of that which they have done in the Rhine Province, it will be necessary in this case to take the necessary dispositions for the instruction and augmentation of the personnel.

Twenty years ago, the General Commission of Düsseldorf commenced operations in a building hired for the occasion with ten employees; and now the Service of the exchange of lands is the possessor of an enormous building which can count two hundred employees as well as having three hundred others who work in country districts.

The General Councils (*Gedeputeerde Staten*) who are charged with the administration have a great influence upon the advancement of the operations. Their authority commences from the time the decision has been made to undertake the exchange. They call the Assembly and the office of president is held by one of its members. The latter decide all differences which may arise during the discussions of the Assemblies; they pro-

pose the new systems of communication and canals. And when the new project of the division of the lands is definitely decided, they must sanction it.

It was believed that it was preferable to confide this charge to the General Councils, although in Bavaria and the German States, on the contrary, the entire direction of the works and the administrative authority is placed under the care of a Central Commission. It was thought that if the example of Bavaria were followed, it would be impossible to be in perfect harmony with the regime of Holland and with the ideas of the country concerning the centralisation and autonomy. In Holland, also, it is not the State organs which are occupied with public interests limited to the exchange of lands, but these interests are confided to an authority nearer at hand, and one which is better able to take charge of them and judge and observe their nature. It is also preferable that these interests be confided to the General Councils rather than to the municipalities, because it is presumed that the Councils base their judgments upon wider views. In second place, *so that the question of the exchanges may not be limited to the territory of one commune only*, and because in many cases the interested parties form part of the municipality. Further, according to the Dutch constitution, the General Councils are charged with all matters concerning roads and irrigation and with the laws which deal with them; and naturally there exists a close relation between the exchange of land and irrigation.

Except in the case where all the interested parties are of one accord, the exchange of lands cannot be effected in Holland without having recourse to the law of expropriation. In most cases the majority carries the decision, but the proprietors in the minority, who lose their property against their own wishes to the contrary, have the right to obtain an equitable compensation either in land or in money. Article 151 of the constitution generally provides in these cases.

But the Constitution, in as much as concerns the right of expropriation, only considers the expropriation for reasons of *public utility*; and the conception of this public utility is not very extended: it includes only the means of communication, such as railways and canals; although in practice many other necessities arise; in the case, for example, when the right of expropriation may be effected if it is proved that a society is better able to make use of a piece of land than the proprietor himself. It is to M. S. van Houten that we owe an efficient propaganda in favour of the diffusion of the principle that "the right of proprietorship cannot prevent a better utilisation of the lands and that in consequence it is necessary to find a legal provision authorising the expropriation in favour of him who possesses the means to be able better to undertake the cultivation of the land „.

The same principle is adopted in the law upon irrigation: in this case also, although it is not precisely a question of expropriation, the

right is given, to use the property of others, under payment of compensation.

The propagators of this principle are of opinion that it should also be applied in the question of the exchange of lands; the expropriation would also tend, in this respect, to improve general interests, that is agriculture.

The power of the State which has provided for the case of expropriation in a more general manner according to the measures of the laws in vigour, is confided, in what concerns the exchange of lands and, in consequence, in the cases of a more limited character, to the General Councils.

*But does the Constitution authorise that the compensation be effected in land? This is the question which endangers the existence of the exchange of lands.*

If the opposition of the minority obliges the necessity of expropriation and insists that the compensation be paid in hard cash, can the lands which are disposable be sold in order to realise the necessary sum?

If the opponents will not or cannot accept the compensation established, can they be expelled?

This latter case, above all, from an agricultural point of view, would have very grave consequences and render the exchange of lands more disadvantageous than useful.

The idea, such as is understood by the Constitution, taken in a larger sense, does not oppose the eventual compensation in land. There is an article of the Constitution (year 1815, art. 162) which speaks of an equitable compensation (*behoorlijke schadeoosstelling*) to the proprietor; what, therefore, can be a better compensation for him, who has given up a piece of land, than to receive another piece of land in the same district which corresponds in qualities and conditions to the piece from which he has been expropriated?

Before the reform of the Constitution of 1887, the quality of the compensation was not specified; but art. 151 of the last reform says that the compensation due, must be *paid* or *assured*.

The word *paid* could therefore indicate a compensation in money; but this indication does not oppose the wider interpretation of the Constitution, of which we have spoken a few sentences above.

In the case where the compensation in land was not sufficient, it is the judge, who, in the interest of the expropriated proprietor, must determine whether the compensation must be completed in money.

After this statement of the economic conditions and legal considerations, upon which the Commission "*Ontginning*" based its actions concerning the preparation of the legislature upon the re-organisation of the



peasant properties in Holland, nothing remains for us but to reproduce the new draft law upon the re-organisation, annexed in the so often mentioned 2nd. Report of the "Nederlandsch Landbouw Comité". This draft law was recently placed before the Commission of State for Agriculture by the Minister of Agriculture. After having received the advice of this Commission, the Minister will later present before the Chamber of Deputies of Holland, the legislative measures which he judges to be necessary.

### Draft Law for the Reconstitution of Farm Lands in Holland (1).

#### CHAPTER I.

##### General Provisions.

##### Art. 1.

For the purposes of this present law, by Reconstitution of Lands there shall be understood the reunion of previously separated parts, and their rearrangement, in the interest of agriculture, according to a definite plan; an action which may be accompanied by the making or the diversion of roads or aqueducts.

In the case in which, owing to such reconstitution, a change of municipal boundary shall become necessary, the General Councils, after consultation of the municipal councils, shall formulate a scheme, determining the forms and conditions under which such change may take place. If the commune shall be situated in more than one province, a committee of the General Councils of these provinces shall deal with the case. The scheme shall be forwarded to the Home Secretary.

##### Art. 3.

Those persons shall be considered as proprietors of the lands included in the reconstitution, who shall be registered as such in the cadastral registry, and, in the case of property held in common, those persons who shall be therein registered as co-proprietors.

(1) Presented to the Government by the Netherlands Agricultural Committee. The Hague, 14th March, 1910.

If the proprietors mentioned in the above paragraph shall not have their fixed domicile in the Kingdom, and if they shall have no known domicile there, their legal representatives or the administrators of their property shall be treated with, if they shall be persons known in the Kingdom.

If also these representatives or administrators mentioned in the preceding paragraph shall be unknown, a third party, nominated for this purpose, at the request of the General Councils, shall be treated with, through the medium of the judge of the canton, or of one of the cantons, in which the land shall be situated.

The persons thus nominated shall retire, as soon as they shall know that the proprietors indicated in the first paragraph shall have fixed their domicile within the kingdom, or as soon as their representatives or their administrators shall be known.

If it shall be established that a proprietor, or a co-proprietor, registered in the cadastral registry, have died, his executor testamentary shall be treated with.

In default of such, or if such executor testamentary shall not be in the possession of the legacy under the conditions necessary, according to article 1,054 of the Civil Code, a representative appointed by the united heirs shall be treated with, or, in default of such, a third party, chosen according to the provisions of the third paragraph of this article.

The persons appointed for this purpose shall have the right to reimbursement of their expenses; the remuneration for their services shall, at their request, be fixed by the judge of the canton.

Persons legally incapable and corporate bodies shall be represented by their legal representatives, who shall require no judicial authorization in order to act.

The State shall be represented by the Chief Clerk of the Department of the General Management (*Departement van Algemeen Bestuur*) administering the lands included in the reconstitution, the provinces by Our Commissary; the commune by the mayor; the associations for hydraulic works (*Waterschappen*), for the utilisation of peat bogs (*Veenschappen*), or those of the lands enclosed by dykes and containing peat bogs (*Veenpolders*) by the president of their board of management.

These representatives may be replaced by other persons authorized.

#### Art. 4.

Exclusive of the provisions in laws on expropriation for reasons of public utility, there cannot be included in a plan of reconstitution, against the will of the proprietor or the lessee on long lease:

- a) buildings and their sites;

## THE RE-ORGANISATION OF SMALL PEASANT HOLDINGS

b) enclosed gardens constituting a whole together with buildings intended for habitations;

c) parks;

d) orchards, woods, fields or kitchen gardens, florists' gardens, meadows subject at times to inundation, and fish ponds;

e) lands intended or used for purposes other than agriculture or fishing, where the will of the lessee on long lease, the tenant in perpetuity (1), or the person having right of stabling there, shall take the place of the will of the proprietor.

### Art. 5.

There cannot be included in a plan of reconstitution.

a) exercise or shooting grounds, or other grounds intended for military uses, unless with the authorization of Our competent Minister;

b) cemeteries and disused cemeteries for the thirty years following their disuse, graves and vaults, in accordance with what is said thereon in articles 2 and 15 of the law of the 10th April, 1869 (Staatsblad 65) and in the terms of the articles 23 and 25 of the aforesaid law;

c) commemorative monuments;

d) lands destined by order of the municipal council, to be shortly utilised for the construction of streets, canals and squares, and lands that in consequence thereof may be considered as building sites;

e) water courses, in so far as they shall serve for the exercise of a trade or the working of an establishment.

### Art. 6.

If there shall be a suit pending as to the extension of two contiguous lands included in the reconstitution, the division of the lots constituted by the contiguous lands, among the parties concerned, shall be proceeded with.

In the case in which the allotment indicated in the preceding paragraph shall not be final, on account of the nature of the lawsuit, or if it shall not be in conformity with a serviceable plan of reconstitution, account may be taken of the matter in dispute, and otherwise the said allotment may be proceeded with.

(1) *Beklemede meier*, only existing in the province of Groningen. The tenant enjoys all the rights and powers of a proprietor, only he is obliged annually to make some present (a rabbit, a cow, a pound of butter) to the official proprietor, who has virtually ceded his rights.

## Art. 7.

In effecting the reconstitution, care must be taken that each of the new lots shall touch at least one road or one watercourse.

Payment for the land necessary for roads and watercourses to be made or to be diverted, as well as that to be devoted to uses of common or general interest, shall be made to each proprietor in proportion to the taxed value of his lands included in the reconstitution.

## Art. 8.

In proceeding with the division of the lands, to each person, whose lands shall be included in the reconstitution, there shall be allotted other lands of a value equal to the first, and, as far as possible, capable of being put to the same uses.

If, in order to realise a serviceable plan of reconstitution it, shall be necessary to depart from this rule, the work of reconstitution may be proceeded with and the difference shall be made up in money.

This difference cannot, against the will of the proprietor or of a person having servitudes upon the land, exceed 5 % of the value of the lands included in the reconstitution.

Neither can the rule be departed from against the will of the person interested, indicated in the first paragraph of this article, if important modifications or changes in the nature of his trade must necessarily result therefrom.

## Art. 9.

The management and the maintenance of roads and watercourses, with the works connected with them shall be, in return for a small compensation, in so far as no other provision shall have been made in common law, at the expense of the communes in which they shall be situated.

In case of any disagreement with a municipality relative to its undertaking the management and maintenance of the roads and watercourses, mentioned in the first paragraph of this article, the decision of the General Councils may be invoked.

Within the thirty days following the date of this decision, appeal to Us shall be allowed.

The disagreements which may arise on the subject of the small compensations, mentioned in the first paragraph of this article, shall be settled by the decision of the judge of the canton, or of one of the cantons, in which the roads or watercourses shall be situated.

## Art. 10.

Entrance in possession of the lands allotted at the new distribution, shall be exempt from all charges and taxes.

Hereditary servitudes, in so far as they shall not be abolished by the reconstitution, shall remain, in so far as they shall not be abolished in consequence of the reconstitution, to the charge or in favour of the properties previously burdened by or in enjoyment of them.

Rights of servitude long existing which cannot be transferred to other lots, such as hunting and fishing rights possessed by third parties in the lands and waters, shall continue in the lands and waters affected by them unless they shall be redeemed on account of the reconstitution.

The lands allotted to a person shall replace from every legal point of view those that he shall have possessed and that shall be included in the reconstitution, unless, however, it shall have been otherwise decided in this law.

Indication of the portion of lands allotted, which shall be subject to any servitude originally attaching thereto, shall be made, if it shall be necessary, upon the demand of any person interested.

## Art. 11.

If the lessee of lands included in the reconstitution, did not desire that the contract be continued on the lands allotted to the lessor, he may inform the lessor to this effect, indeed the lease shall cease of itself, as soon as the new situation, created by the reconstitution shall be entered upon. In this case, the lessee can claim no compensation for the loss occasioned to him by the termination of the lease.

## Art. 12.

As to the operations of surveying or delimitation to be carried out upon land which is the property of anyone, the provisions of the articles 9, first paragraph, and 11 of the law of the 10<sup>th</sup> November, 1900 (Staatsblad 176) containing general rules for the management of the Waterstaat, shall be applicable to them, on condition that notice in writing be given to the local committee which shall be indicated in chapter II of this Law, and that the compensation for loss, indicated in the aforesaid article, be requested of the State.

## CHAPTER II.

**Of the Manner in which the Reconstitution shall be Effected.**

## Art. 13.

The technical management of the work of reconstitution shall be, in conformity with the instructions contained in the following articles, entrusted to a central commission, the composition and mode of working of which shall be regulated by a general provision of the board of management of this commission.

## Art. 14.

Each proprietor or co-proprietor of lands, lessee on long lease or tenant in perpetuity, may address a written request to the General Councils, showing that he desires to see included in the reconstitution certain lands of which he shall be sole or co-proprietor, lessee or tenant in perpetuity. The municipal council also may make request, indicating its desire to see included in the reconstitution lands situated within the commune.

## Art. 15.

The General Councils shall ask the central commission for its opinion with regard to the requests addressed to them and this opinion shall be furnished supported by the reasons on which it shall have been based. If the central commission, when giving its opinion, shall have no intention of rejecting the request, it shall attach thereto a plan, in which the boundaries of the lands included in the reconstitution shall be shown.

In this case, by provision of the General Councils, which at the same time shall give information thereof, the opinion and the plan shall be exposed for free examination of whoever shall desire to take cognizance thereof, in the office of the secretary of the commune, or of the communes, in which shall be situated the lands indicated in article 14.

The decision of the General Councils on the matter of this request can only be taken a month after such public exhibition.

## Art. 16.

If the General Councils shall be of opinion that the reconstitution be not desirable, they shall declare this by an order stating the grounds of their decision, of which a copy shall be forwarded to the party by whom the request for reconstitution shall have been formulated.

The petitioner may appeal to Us, within the thirty days which shall follow this communication.

Before giving authorization that the question be submitted to be dealt with by the Council of State, We shall ask the central commission for its opinion on the matter in writing. This opinion shall be forwarded to the Council of State.

Art. 17.

If a request for reconstitution shall be considered by the General Councils, or, in case of appeal, by Ourselves, as acceptable, the General Councils shall, as soon as the central commission shall have declared itself ready, call together a council of the proprietors and co-proprietors of lands situated within the provisional limits indicated for reconstitution upon a plan forwarded to them by the commission. If, among these lands, any shall have been given out on long lease or in perpetuity, the lessees and tenants in perpetuity shall also be called to attend the council.

If the request for reconstitution shall have been made by a municipal council, the mayor shall be invited to be present in person at the council or to send a representative.

Summons to this council shall be issued by official writ, the form for which shall be hereafter given, together with which there shall at the same time be forwarded a copy of the plan mentioned in the first paragraph of this article, in which the attention of the person to whom it shall be forwarded shall be drawn to the legal consequences resulting from the absence of a proprietor from the council, consequences set forth in the penultimate paragraph of article 19. There shall no appeal be allowed on the ground that these documents shall not have been received.

As to the lessees and the tenants in perpetuity, the provisions in paragraphs 2, 3, 4, 5, 6 and 7 of article 3 on the representation of the absent, of corporate bodies, and of persons legally incapable, shall be applicable to them.

Publication shall be made in the "Nederlandsche Staats-courant", as well as in one or more other public newspapers, of a notice indicating that the convocation of the said council has been made.

The Council may only be assembled fifteen days after date of the number of the "Staats-courant", in which the convocation shall have been announced.

Art. 18.

A member of the General Councils, indicated by them, shall be president of this council.

A member or a representative of the central commission shall assist at the council, in order to explain the opinion given by the commission.

and to furnish a provisional estimate of the probable expenses, and any other necessary information.

The persons summoned to the council in conformity with the preceding article, or their representatives according to article 3 and article 9 paragraph 4, as well as those who, holding lands as sole or part proprietors, on long lease or as tenants in perpetuity, shall desire to see these lands included in the reconstitution, may appear personally at the council, or may be represented at it by their legal representatives.

The persons not summoned may likewise do so, provided that they shall have made known to the General Councils in writing, at least eight days previously, their intention to present themselves. Proxies, which must be in writing, shall be forwarded to the president.

If it shall be necessary to adjourn the council, it shall be adjourned to a date fixed by the president, without any fresh convocation of the council.

#### Art. 19.

In the council it shall be decided whether the reconstitution shall be proceeded with.

For this decision, there shall be required the approval of the majority of the proprietors and co-proprietors, lessees of long leases and tenants in perpetuity, indicated in paragraph 3 of article 18, whose lands shall represent more than half the total area of the lands registered at the Land Registry Office, and more than half the revenue taxable for the land tax.

To arrive at the area of the lands registered at the Land Registry Office and the taxable revenue as required by the preceding paragraph:

(a) lands held in common shall be considered in their entirety, as units, so that each co-proprietor may be considered to be exclusive proprietor of a proportional part;

(b) lands held on long lease or in perpetuity shall be only considered in the case in which the lessee or the tenant in perpetuity shall have given his approbation to the reconstitution.

Those who, at the moment in which the decision shall be taken, shall not be present in person, nor represented by legal representatives, shall be considered as having given their approbation to the reconstitution.

Changes in property, in collective property, in contracts of long leases or of leases in perpetuity, which may be later produced by virtue of a decision of the courts, shall in no way affect the validity of the decision taken.

#### Art. 20.

When it shall have been decided to proceed with the reconstitution, it shall next be decided whether it shall be a local commission, or only a commission of land surveyors, that shall be entrusted with the carrying out of the operations to be performed.



In the last case, and if it shall not have been otherwise determined, the land surveyor shall receive the work and the powers of the local commission.

Art. 21.

If it shall be a local commission that shall be entrusted with the carrying out of the operations, the council shall at once proceed to the appointment of the members of this commission and of their substitutes, as indicated in paragraph (b) below in the present article, on the condition that those persons, who shall not have given their approval to the reconstitution, shall have the right to appoint one of the members of the commission and his substitute, provided always that their number shall be equal to the fourth part of those that have the right to vote.

If the council shall not proceed to this appointment, it shall be for the president to make the appointments.

A local commission shall be composed :

a. of a president, appointed by the General Councils, upon the advice of the central commission ;

b. of two members, and two substitutes for them, unless the council shall desire another even number.

On the advice of the local commission the central commission shall appoint the surveyor. He shall be vice-president, unless he be appointed president.

Art. 22.

The members of a local commission and their substitutes shall receive appointment for three years.

Afterwards, the General Councils shall provide, on each occasion for the term of three years, for the re-filling of the places that shall have become vacant; the former members shall at once be re-eligible. The General Councils shall also provide in case of places which shall become vacant in the interval.

These appointments, made as vacancies shall occur, shall have force up to the date of the periodical retirements.

Art. 23.

If it shall be only a surveyor who shall be charged with the execution of the operations, his appointment shall be made by the central commission; the council may give its consent thereto. ,

## Art. 24.

Every decision, except that mentioned in article 19, shall be taken according to the majority of votes.

If, for the appointment of persons there shall be no majority, the matter shall be decided by lot.

The president, the member or representative of the central commission, and the mayor, or his representative, summoned conformably with paragraph 2 of article 17, shall have the right to address the council, but no vote.

## Art. 25.

The minutes of the council which shall be written out as early as possible by the president, and shall be signed, at the same time as by him also by the member or the representative of the central commission, shall indicate:

*a.* the names of the persons present and the quality in which they shall have been present at the council;

*b.* the decisions taken, with the results or the voting, if any shall have taken place;

*c.* the names of the persons who shall have declared themselves favourable or contrary to the taking of the decision mentioned in article 19 for the reconstitution, as well as of those who shall be considered as having given their approbation to it;

*d.* the calculation of the land area registered at the Land Registry Office and of the revenue taxable for the purposes of the land tax, exacted in conformity with article 19;

*e.* the observance of the rule laid down in the first paragraph of article 21, concerning the appointment, in the case in which a local commission shall be entrusted with the carrying out of the reconstitution, of a member of this commission by those persons who shall not have given their approbation to the reconstitution;

*f.* Anything else that shall have passed at the meeting beyond what has already been indicated, that any of the persons present shall have desired the insertion of in the minutes.

The proxies mentioned in paragraph 3 of article 18, shall be attached to the minutes.

The minutes shall be counted as proof for all that they report.

The president shall have care that a copy thereof shall be exposed for the examination of everyone, in the office of the secretary of the com-

mune, or of the communes to which the lands to be reconstituted shall extend.

That the minutes are so exposed to view shall be announced in the newspaper or the newspapers indicated in paragraph 5 of article 17.

Art. 26.

Any person interested, summoned to the council, and being there present in person or represented by his legal representative, the mayor or his representative, designated conformably to paragraph 2 of article 17, present at the council, as well as the member or the representative of the central commission, shall have the right to present to the General Councils, within the fifteen days that shall follow the publication of the minutes, their objections to what shall have been therein communicated, or with regard to what shall have passed at the council.

The General Councils shall have four weeks in which to deliver their judgment, unless they shall adjourn it by a decision stating their reasons.

They shall determine if the objections presented to them or formulated by themselves, shall justify :

- a.* the correction of the minutes;
- b.* the assembly of a new council in which there shall be discussed and decided, either all the points, or only some that the General Councils shall indicate in their decision, noting, if it shall be necessary, all the formalities to be filled in and that they shall specify in order.

The decisions, which shall have been previously taken upon the points that are to be again discussed shall completely lose all force for execution.

During the interval which must pass before the appeal shall be heard, and during the hearing of the appeal, no steps shall be taken either for the preparation or the carrying out of the reconstitution.

Art. 27.

The provisions of articles 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26, as to the convocation, the composition of the council, the decision, the vote, the minutes and the presentation of objections, shall be applicable, if there shall be occasion to assemble a new council.

Art. 28.

The local commission shall occupy itself with the valuation for the land-tax, and, in view of that, with the necessary survey of all the lands situated within the provisional limits of the plan mentioned in article 17, as well as with the survey of the lands referred to in paragraph 3 of article 18.

If there shall be other proprietors, co-proprietors, lessees on long leases, or tenants in perpetuity, who shall ask that their lands be included in the reconstitution, the valuation of these lands may also be made.

Art. 29."

Separate valuation shall be made:

1st., of buildings, improvements, and plantations;

2nd., hereditary servitudes in favour of, or a charge upon, the lands indicated in the preceding article, as well as the other servitudes indicated in paragraph 2 of article 10;

3rd., the rights of lessees on long lease and of tenants in perpetuity, the rights of stabling, of land rents, usufruct and domicile.

Art. 30.

For the valuation, account shall not be taken of increased values of a temporary character, deriving from manures, seeds, produce still in the fields and the like, nor of diminution of value of a temporary character due to inundations, long droughts and other like circumstances. If it shall be necessary, the valuation of, and settlement with regard to these, shall be made separately, at the proper time.

Art. 31.

The works, mentioned in the three preceding articles shall be effected, according to the manner indicated by the central commission in the provisions it shall make, on condition that the parties interested shall be offered the opportunity of personally being present at these operations, or of being represented there by their legal representatives, as well as of communicating documents or making declarations that may, in their opinion, lead to an exact valuation.

Art. 32.

The results of the valuations, mentioned in articles 28 and 29, shall be communicated, by official writ, the form for which shall be given hereafter, to the parties interested, to each as far as his lands shall be effected, and they shall be posted at the same time at the office of the secretary of the commune, or of the communes, in which the lands valued shall be situated.

They shall remain there at least thirty days, so that everyone may take cognizance thereof.

Time and place shall at the same time be fixed by the commission, for a meeting at which the matter shall be explained to the parties concerned, who may also there present their objections.

Art. 33.

Against the results of the valuation and survey of the land, buildings, improvements, and plantations, serving as basis for this valuation, objections may be presented by the proprietors or co-proprietors, or by those who shall claim to be proprietors or co-proprietors, as well as by those who shall have servitudes on these lands.

Against the results of the valuation of the rights mentioned in clauses 2 and 3 of article 29, objections may be presented by the persons specified in the first paragraph, as well as by those who shall enjoy these rights: against the valuation of the servitudes mentioned in clause 3 of the said article, objection may also be made by persons to whom a mortgage upon these rights shall have been granted.

All such objections must be forwarded within the fifteen days following the last sitting of the council.

Art. 34.

The local commission shall decide with regard to the objections presented and shall communicate this decision to the parties concerned, within the thirty days following the last sitting of the council, by official writ, of which the formula shall be given hereafter.

Art. 35.

The objections formulated against the decisions taken shall be presented verbally or in writing, within the fifteen days following the despatch of the official writ, to the Mayor and the magistrates, together united, of the commune in the office of the secretary of which the results of the valuations shall have been posted.

The Mayor and magistrates in union shall communicate these objections to the General Councils, drafting an official report of them in the case of their being communicated verbally. This report shall be also signed by the party interested and mention shall also be made of the reasons which he shall not sign.

Art. 36.

As early as possible the General Councils shall appoint a commission, composed of an unequal number of members, to decide upon these objections.

A member of the General Councils shall be member and president of this commission composed, besides and by preference, of persons who may be considered well acquainted with the local circumstances of the reconstitution.

Article 31 concerning the mode and the regulations to be followed for the valuation shall be applicable in this case.

Art. 37.

By way of preparation for a plan of reconstitution, the local commission shall prepare, if it shall be necessary, the scheme of a network of roads and watercourses, in which there shall at the same time be indicated the lands which shall serve for common use or general interest.

This scheme shall be exposed for fifteen days in the office of the secretary of the commune or of the communes, to the land of which it refers. At the same time a land surveyor shall mark out the limits of the divisions on the land, and time and place shall also be published at which the council shall assemble by means of which the interested parties shall be made acquainted with the matter and by which they may make their complaints heard.

After the expiration of the term mentioned in the preceding paragraph, the scheme with the objections that may have been made thereto and the opinion of the local commission shall be sent to the central commission, which shall forward them, together with its own opinion, to the General Councils.

The General Councils shall determine the plan of the roads and watercourses.

Art. 38.

A copy of their decision, together with maps and drawings representing the present condition and that proposed, shall be exposed by them in the office of the secretary of the commune or of the communes, to the lands of which their decision refers. It shall remain posted there for at least thirty days and everyone may take cognizance of it.

This posting shall be announced in the « *Nederlandsche Staatscourant* », as well as in the newspaper or the newspapers, mentioned in paragraph 5 of article 17,

Art. 39.

Our commissary in the province, as well as all those interested, including the municipalities and the boards of management of the associa-

tions for hydraulic works, shall be permitted to appeal to Us from the decision determining the plan of the roads and watercourses, within thirty days from the publication mentioned in the preceding article.

Art. 40.

As soon as the period of thirty days referred to in article 39, shall have expired, or after judgment pronounced by Ourselves, the local commission, with due regard to the scheme of the network of roads and watercourses, which in addition, may be also slightly modified, if that shall be necessary, by the General Councils, or in case of appeal, by Ourselves, shall prepare a plan of reconstitution, in which shall be indicated the lands which, for special reasons, must be allotted to certain persons, as well as afterwards the lands which shall be so allotted to other persons whose lands shall be included in the reconstitution.

Art. 41.

The plan of the entire reconstitution, illustrated by maps and drawings representing the present situation and the new one proposed, shall be communicated by the local commission, by official writ, for which the form shall hereafter be given, to each of the interested parties, as far as shall concern them, and shall be exposed at the same time in the office of the secretary of the commune or of the communes, territory of which shall be included in the plan, so that all may take cognizance thereof, until the expiration of the term prescribed for the presentation of the objections spoken of in article 43. First of all, the plan shall be marked out upon the ground by a land surveyor, then the day and hour shall be published when the local commission shall indicate the projected division upon the spot, and shall furnish all information desired.

Art. 42.

The local commission shall decide with regard to objections presented and shall communicate its decision to the interested parties, within the fifteen days following the last meeting of the Council, by means of official writ, for which the form shall be given hereafter.

Art. 43.

Objections against the decision taken or demands such as those indicated in the first paragraph of article 10, shall be presented verbally or in writing, within the thirty days following the last meeting of the council, to

the Mayor and the magistrates, together united, of the commune or of the communes, in the office of the secretary of which the plan of reconstitution shall have been on view.

The Mayor and magistrates in union shall communicate to the General Councils these objections and these demands, of which they shall prepare an official report when they shall have been presented verbally.

This report shall also be signed by the interested party, and mention shall also be made in it of the reasons which he shall not sign.

#### Art. 44.

The General Councils shall give their decision as to the demands, and shall proceed with all despatch to the appointment of a commission, which shall decide with regard to the objections. As to the composition of this commission, the provisions of the first and second paragraphs of article 36 shall apply thereto.

A commission having been appointed in conformity with the terms of article 36, it shall appertain to it to decide as to the objections to which the first paragraph of this article refers.

#### Art. 45.

The local commission shall prepare the plan of reconstitution in conformity with the decisions taken by the commission, indicated in the preceding article.

#### Art. 46.

The plan of reconstitution, with the annexures, mentioned in art. 41, shall be sent to the General Councils, together with the objections and the reports mentioned in article 43, and the decisions taken by the commission indicated in article 44 and in case of changes having been made in consequence of article 45, with the original plan.

If the General Councils shall be of opinion that the forms laid down in article 45 shall have not been observed, they shall send back the plan to the local commission in order that that commission may amend it.

#### Art. 47.

The plan must receive the approval of the General Councils. They shall decide after hearing the opinion of the Central Commission. If their opinion shall differ from the opinion of the central commission, their reasons shall be stated.



The central commission may appeal to Us against this decision, within the thirty days following the despatch of the copy of this said decision.

Art. 48.

There shall be forwarded to each proprietor or co-proprietor of lands forming part of the reconstitution, by arrangement of the central commission and by means of an official writ (for which the form shall be given hereafter) an extract of the plan approved in so far as it shall concern the portion allotted to him.

It shall also be communicated to them that they shall have to declare, within the sixty days following the despatch of the official writ, in writing or verbally, to the local commission, or, if they shall not be dwelling in a commune to the territory of which the reconstitution shall extend, to the mayor and magistrates of their own commune, that they shall be disposed unconditionally to cede their lands making part of the reconstitution, in default of which expropriation shall be proceeded with.

The declaration in writing shall be made on a form prepared upon a model determined by Ourselves, which shall be forwarded together with the official communication.

In case of a verbal declaration the mayor and magistrates, together united, shall prepare the report which shall be also signed by the interested party.

Reasons shall also be mentioned therein that he shall not have signed.

The mayor and the magistrates of the commune shall immediately forward to the local commission the declarations in writing that shall have been presented to them and the reports made out by themselves.

Art. 49.

If at least the half of the proprietors or co-proprietors, lessees on long lease or tenants in perpetuity, of lands included in the reconstitution, shall demand in writing that a council be assembled, the General Councils shall convoke the same. If the plan of reconstitution shall not yet have been approved by their body, they shall call together the persons who shall have been so called together for the council mentioned in the first paragraph of article 17, who shall have there appeared in person or shall have been represented by their legal representatives, in accordance with the third paragraph of article 19. If the plan of reconstitution shall have already received their approval, they shall assemble the proprietors, co-proprietors, lessees on long lease and tenants in perpetuity, of the lands included in the plan.

This demand may be made at any stage of the work, at whatever point the work of reconstitution shall have arrived, but, at latest, at the end of the term indicated in the second paragraph of article 45, and in no case by the proprietors or co-proprietors, who shall have already made the declaration mentioned therein.

Summons to this council shall be issued by official writ, the form for which shall be given hereafter. No appeal shall be allowed on the ground that the summons shall not have been received.

The provisions of the 4th, 5th, and 6th paragraphs of article 17, as well as those of the 1st paragraph of article 18, shall be applicable to this case. The persons called to the council or their representatives may appear in person, or be represented by their legal representatives. Proxies, which must be in writing, shall be forwarded to the president.

At the council, it shall be decided whether the work of reconstitution shall be interrupted.

For such decision there shall be absolutely necessary the approval of five sixths of the proprietors, co-proprietors, lessees on long lease and tenants in perpetuity, whose lands shall have an area of more than the half of those registered at the Land Registry Office and shall have a revenue taxable for the purposes of the land tax of more than half that of the lands so taxable.

As to the survey of the area of the lands registered at the Land Registry Office, the provisions of the 3rd paragraph of article 19 shall be applicable thereto.

The president shall draft a report as early as possible of all that shall have taken place at the council and shall forward a copy thereof to the local commission.

#### Art. 50.

When the local commission shall have received the declarations referred to in article 48, or, in case of expropriation, after the decision shall have acquired the force of law, a notary chosen by the General Councils shall at once draw up the deed of reconstitution.

This deed shall fix the lots assigned to each party. It shall be signed by the local commission and by a member of the General Councils designated by themselves.

The insertion of a copy of this deed in the public registers shall be counted as the putting into possession spoken of in article 671 of the Civil Code.

By the provision in article 110 of the law of the 28th August, 1851, (Staatsblad 125) amended last by this law, any person mentioned in this act as obtaining one or several lots shall have right to demand this insertion.

Rights of hunting and fishing that third parties shall have on the lands or in the waters shall be bought up, if the reconstitution shall render it necessary, by the local commission, according to article 3 of the Game Law.

Art. 51.

The establishment of the network of roads and watercourses and the accomplishment of other works for the execution of the plan of reconstitution shall be arranged by the local commission.

Art. 52.

The date, on which each person enters into possession of the lands assigned to him, shall be fixed, regard having been had to the local agricultural conditions, by the General Councils, after hearing the opinion of the local commission.

However, the General Councils shall be authorized, at the request of the local commission, to fix a date for a provisional entry into possession, if in their opinion, serious losses may be in this way averted.

CHAPTER III.

Of Expropriation.

Art. 53.

1. To the law of 28th August, 1851 (Staatsblad 125) last amended by the law on the Conditions for the Suitability of Dwelling Houses there shall be added a fifth chapter: "Of Expropriation for the Advancement of Agriculture by Reconstitution."

This chapter shall contain the following provisions:

*Art. 97.* Without a previous law declaring that the public interest shall demand the expropriation, this may be effected, for the purpose of the advancement of agriculture by reconstitution, according to the following articles, in the cases indicated in the 2nd paragraph of article 48 upon reconstitution.

*Art. 98.* The Expropriation shall take effect in the name of the local commission mentioned in article 21 of the present law.

If a land surveyor alone shall be entrusted with the carrying out of the provisions of the reconstitution, according to articles 20 to 23 of this law, the expropriation shall take effect in the name of a local commission

which shall be formed by the General Councils and shall be composed of the land surveyor as president and of two members, as well as of two substitutes, who shall be appointed by him.

*Art. 99.* The expropriation shall take effect by virtue of a decision taken by the General Councils, in which shall be indicated the lots which shall be expropriated, with reference to the maps or plans on which these lots shall be precisely indicated and mentioning the numbers under which they shall be found registered at the Land Registry and the names of the owners indicated in the registers there.

This decision shall be published in the "Nederlandsche Staatscourant" as well as in the newspaper or newspapers referred to in paragraph 5 of article 17 upon reconstitution.

*Art. 100.* Articles 3, 4, 21 (paragraph 1), 40, 41, 51, 54 and 58 shall be applicable in this case unless what is said of Our decision shall become applicable to the decision of the General Councils and the local commission shall constitute itself plaintiff.

*Art. 101.* The local commission shall cause the proprietors indicated in the decision of the General Councils to be cited before the court or one of the courts within the jurisdiction of which the lands shall be situated, so that they may hear the sentence of expropriation pronounced and the compensation decreed.

Paragraph 2 of article 20 of the present law as well as paragraphs 2, 3, 4 and 5 of article 3 of the law on reconstitution shall be applicable in this case.

*Art. 102.* The citation must, to be valid, mention what shall have been allotted to the defendant in the plan of reconstitution approved.

*Art. 103.* At least three days before his appearance in court, the party dispossessed shall forward to the office of the court in confirmation of his suit:

1st the decision of the General Councils in which the lots to be expropriated shall be indicated;

2nd the plan of reconstitution approved by the General Councils with the maps and drawings and the deed of approbation.

3rd a declaration, furnished by the president of the local commission or by the land surveyor, that, so far as the defendant shall be concerned, paragraphs 1 and 2 of article 48 of the law on reconstitution shall have been conformed to.

*Art. 104.* Article 24 shall be applicable in this case on condition that paragraph 2 shall be read as follows. Beginning from this day the plaintiff shall decide to designate one or more experts to verify the real value of the lands to be expropriated and allotted.

*Art. 105.* The court cannot accede to the request of the dispossessed party:

1<sup>st</sup> when the documents that should have been forwarded in conformity with article 103, shall not have been so forwarded;

2<sup>nd</sup> when it shall appear that the paragraphs 1 and 2 of article 48 of the law on-reconstitution shall not have been conformed to.

*Art. 106.* In calculating the compensation there shall no account be taken of new structures in wood or of changes made after it shall have been decided, in accordance with the article 19 of the law on reconstitution, to proceed with the reconstitution.

*Art. 107.* As compensation there shall be granted to the defendant, in the first place, the lands which shall have been allotted to him in the plan of reconstitution approved, and then, a certain sum of money, in so far as it shall appear that the true value of the land expropriated, diminished by the portion allotted to the defendant as the payment referred to in paragraph 2 of article 7 of the law on reconstitution, shall exceed the true value of the lands allotted.

If it shall appear, on the contrary, that the true value of the lands allotted shall exceed that of the lands expropriated diminished by that part mentioned in the preceding paragraph, the defendant shall be condemned to pay the difference in money to the party dispossessed.

The party dispossessed shall have, in compensation, a preference mortgage on the lands allotted to the defendant: this shall be of greater value than an ordinary mortgage and shall be classified immediately after that mentioned in article 25 of the law of the 9<sup>th</sup> May, 1902 (Staatsblad 54).

*Art. 108.* The change in value consequent upon the application of the reconstitution shall not be considered in the determination of the value of the lands expropriated, but in the determination of the lands allotted.

*Art. 109.* When the compensation, fixed by the court, shall amount to a sum above the value of what shall have been allotted to the defendant in the plan of reconstitution approved, it shall be the party dispossessed, and, in other cases, the defendant, who shall be condemned to pay the costs.

*Art. 110.* If a sum of money shall be granted as compensation, the registration mentioned in article 50 of the law upon reconstitution, shall only be made after the despatch of a duplicate copy of the discharge for this payment or after the despatch of proof that payment shall have been tendered and made.

*Art. 111.* If it shall be necessary, the party dispossessed may have himself put in possession of his expropriated property in the manner indicated in article 57.

*Art. 112.* The party dispossessed may, in preference, exact that the court first of all fix the sum which shall be set aside as guarantee of payment of that amount which he may be condemned to pay in terms of article 107, and that it shall authorize him to take possession

provisionally upon exhibition of proof that delivery of the said sum shall have been made.

II. — Article 97 of the law of the 28<sup>th</sup> August, 1851 (Staatsblad 125) last amended by the law on the conditions for the suitability of dwelling houses, (Woningwet) shall become article 113; article 98 of the same law shall become article 114.

#### CHAPTER IV.

##### Of the Costs.

##### Art. 54.

All documents made out in conformity with the provisions of Chapters I and II shall be exempt from all stamp and registration duties, as well as from any expense of registration.

Every publication in the "Nederlandsche Staatscourant", ordered in Chapter II, shall be made gratuitously.

For the services of a land surveyor who shall be at the same time a State employee, there shall no charge be made.

Franking of documents may be conceded by Us in agreement with the provisions of article 24 of the law of the 15<sup>th</sup> April, 1891 (Staatsblad 81), in the case of the posting of documents relating to the carrying out of the reconstitution.

##### Art. 55.

There shall be chargeable against the State:

All the expenses of the central commission, mentioned in article 13;

All the expenses of the calling and assembly of the councils mentioned in articles 17, 18 and 27.

##### Art. 56.

All expenses which shall not have been indicated in the preceding article, including compensations in money, shall be costs of the reconstitution.

These costs shall be diminished by sums deriving from payments in case of too large allotments, or of sums which the defendant shall be condemned to pay in the case of expropriation, as well as the costs that shall be charged against him. The division of these costs of reconstitution thus diminished shall be made among the proprietors and co-proprietors, in

proportion to the value of the lands brought by each of them into the reconstitution.

In the council mentioned in article 18, another arrangement may be made, for the guarantee of payment of these costs, due regard being had to the approval of the same by the General Councils.

Art. 57.

The costs of reconstitution shall be a charge upon the state finances under the form of advances; but the amounts and the costs indicated in the 2<sup>nd</sup> paragraph of article 56 shall be credited to them.

We shall reserve our decision, after consultation with the Central Commission, as to whether a portion of these advances shall not be repaid to the state. There can be no exemption granted from the repayment of that part of our advances consisting in compensations in money.

The manner in which these advances shall be made and the terms for repayment, as well as the manner of payment of the amounts and costs indicated in paragraph 2 of article 56, shall be regulated by a general regulation of the board of management.

This regulation shall contain a provision according to which the term in which repayment shall take place may be prolonged in particular cases.

Art. 58.

The judgments by which a defendant shall have been condemned, in favour of the dispossessed party, to the payment of a certain sum, such as is indicated in paragraph 2 of article 107 of the law on expropriation, or to payment of costs, shall be executed in the name of the party dispossessed, but by order and in favour of the State.

Art. 59.

The register of the division of the expenses of the reconstitution which shall be repaid to the State shall be fixed by the local commission and approved by the General Councils.

By arrangement of the local commission a copy of this register shall be sent to all concerned, as well as a list of the taxes with statement of terms for and place of payment of the tax.

If the sum due shall not have been paid within the term indicated in the list of taxes, the collector of direct taxes shall send to those who have not paid a notice in writing that they must satisfy this obligation within fifteen days. If this notice be not followed by payment, the collector of taxes shall summon the debtor to pay the amount within three days.

Recovery shall be made by writ of arrest of immediate execution; this writ shall be issued by the collector of taxes and be declared executory by the judge of the canton. It shall be explained to the debtor, with the order to pay, and shall be then executed, in conformity with the rules set forth in the Code of Civil Procedure with regard to the execution of judgments.

Art. 60.

The person to whom the writ of arrest shall have been issued may resist the same until the moment in which the said writ shall be considered as having been executed, according to the provisions fixed for judgments by the Code of Civil Procedure.

This resistance, made for a time and in the manner hereafter to be described, shall cause the suspension of the execution of the said writ.

The resistance shall be communicated by writ of the sheriffs' officer, with citation of the person who shall have made the insertion in the register before the court of the district. Resistance cannot be based on the pretext that the notice or the summons shall not have been received.

Citation shall be made for a court day within the four weeks after notification, otherwise the said resistance shall be invalidated.

There can no appeal be made from the sentence pronounced relative to the resistance, either to a higher court or to the Court of Cassation.

Art. 61.

The State shall have, for the division of the expenses of reconstitution, a preference mortgage on the lands allotted to the person become debtor to the State in consequence of the reconstitution. This shall have more value than an ordinary mortgage and shall be classed immediately after that which is mentioned in article 107 of the law of the 26th August, 1851 (Staatsblad 125) last amended by this present law.

***Final Provisions.***

Art. 62.

This law may be cited under the title of: "Law on Reconstitution": with the addition, however, of the year, and the number of the Staatsblad in which the law shall have been printed.

Art. 63.

This law shall come into operation at a date that We shall establish hereafter.



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